



**Is it time to do business in Germany?**

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## NEWS SUMMARY

**Cons. Gold greed**

United Nations Security Council has agreed on the text of a resolution imposing a mandatory arms embargo against South Africa. It will be acted on today.

Ministry of Transport has announced that it will be acting on the draft completed in the past three days, were made public, but informed sources said that an embargo on operating with South Africa, the development of nuclear power, and a review of existing licensing contracts for arms manufacturing.

Reducing fiscal deficits has been a major objective for the government since the start of the year. The government has been told by the Treasury that it should aim to reduce the deficit to 1.5 per cent of GDP by the end of the year.

**Indonesia meeting**

Carver has been told by Indonesian officials that the proposed 100,000-ton oil tanker will be replaced by a smaller vessel.

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**Arrillo snub**

Alvaro Carrillo, the Spanish Communist leader, was snubbed from delivering a speech at the Kremlin meeting marking the 60th anniversary of the October Revolution.

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**U.S. talks adjourn**

The U.S. and Soviet Union are to adjourn for five days in talks on a nuclear test ban treaty to allow delegates to discuss their governments' positions.

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**U.S. wholesale prices up**

U.S. wholesale prices rose by 0.8 per cent in October, seasonally adjusted, the largest increase since early spring, and an indication that inflation may be accelerating.

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**MP pickets**

Labour MPs will picket the Grunwick plant today and about 20 are expected to be arrested.

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**Christians held**

Several hundred Christians, including Anglican and Roman Catholic leaders, have been arrested in the Masaka area of Uganda, according to reports from refugees.

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**Briefly**

Michael Hest, founder of the murder of a bank clerk, was sentenced to life imprisonment.

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**Companies**

Kwik-Save Discount Group reports pre-tax profits up from £2.25m to £3.61m and is making a rights issue to raise £5m.

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**Chief price changes yesterday**

(Prices in pence unless otherwise indicated)

Bishopsgate Trust	150	- 2
Cater, Ryder	290	- 8
Decan	490	- 20
FC Finance	60	- 13
Glaxo	595	- 10
Baslemer	212	- 11
Hover	357	- 36
JCI	387	- 8
Kwik-Save	241	- 17
Land Secs	178	- 8
Levers Optical	22	- 10
Locas Inds	297	- 8
Marchwell	248	- 10
Metal Box	300	- 6
Parker Knoll A	342	- 12
Park Farms	73	- 8
Royale Ins	408	- 12
Sunley (B.)	163	- 7
Taylor Woodrow	442	- 8
Thomson Org	682	- 13
Union Discount	420	- 30

**RISES**

BP	860	+ 8
Anglo Amer Gold	151	+ 1
Anglo Amer Corp	274	+ 12
De Beers Ltd	294	+ 22
Elstorg	196	+ 13
Rustenburg Plat	85	+ 20
Union Corp	219	+ 1
Yael Inter	221	+ 12
West Drie	192	+ 13

**FALLS**

Treas 5 1/2 1980	1102	- 11
Eschen 13 1/2 1980	1125	- 10
AAH	98	- 10
Allen Harvey Hong	510	- 50
Asse Book Publishers	132	- 10
Assoc Engineering	116	- 84
Assed Cement	260	- 6

## CALLAGHAN WARNS OF WINTER STRIKES

# Labour ready to fight unions on pay

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT'S determination to resist excessive pay demands by the National Union of Minor workers, or any other major trade union, in order to maintain progress in the nation's battle against inflation, was underlined yesterday by the Prime Minister.

In his first comment since the miners rejected a high paying bonus scheme and edged towards a confrontation, Mr Callaghan warned that there might be friction and strikes this winter leading to dislocation and inconvenience for the public.

His forthright comments—far tougher at this early stage in the wages round than most MPs expected—were delivered against the background of a legislative programme that pointed to next autumn as the target date for the General Election. MPs now assume that this is the last session of this Parliament.

Top priority is being given to the separate Bill for devolving power to Assemblies in Scotland and Wales, and Mr Callaghan made it clear that he intends to give the opportunity for each country to hold a referendum on the Government's proposals.

Despite ministerial optimism about the prospects for getting the Bills through the Commons under a free vote, there is virtually no chance of the Bills becoming law until the summer.

Mr Callaghan believes that the passing of the Scottish Bill in particular is essential before the next election if more Labour-held seats are not to fall to the Nationalists than damaging the prospects of Labour getting an overall majority at Westminster.

The inference being drawn by MPs is that Mr Callaghan will not go to the country in the spring unless forced to by a sharp deterioration in the economic situation or by a series of bitter industrial disputes throughout the winter.

The firmest hint so far that an autumn election is in prospect was given by the Prime Minister to the Parliamentary Labour Party soon after publication of the Queen's Speech. He told MPs that they would appreciate the need to avoid an overspill session next autumn.

"There might be other things to do in September and October. It might be prudent to keep the decks clear," he declared. Later, Mr Cledwyn Hughes, PLP chairman, commented that Mr Callaghan had been speaking "very seriously indeed."

Although the Government is in a minority of five against all Opposition parties the firm support of the Liberals seems assured for the session provided it fits in to maintain the 10 per cent pay guideline.

Mr David Steel, the Liberal MP, said that the Government's proposals for a 10 per cent pay guideline were "a very serious indeed."

Continued on Back Page  
Details of Speech Page 14  
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## MAIN POINTS IN QUEEN'S SPEECH

- Separate Bills for Scottish and Welsh assemblies.
- Reintroduced legislation for elections to the European Parliament.
- Bill increasing Civil Aviation Authority and British Airways borrowing power, and introducing a levy to improve air security.
- Promises to help smaller companies encourage profit sharing (probably in the 1978 Finance Bill) and examine competition and monopoly legislation.
- White Papers on Official Secrets Act reform and the future of broadcasting.
- Measures to revive inner urban areas, including special loans to companies.
- Bill to impose public transport, especially in rural areas.
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- Promises to help smaller companies encourage profit sharing (probably in the 1978 Finance Bill) and examine competition and monopoly legislation.
- White Papers on Official Secrets Act reform and the future of broadcasting.

## Boycott Office condemns Egypt's pact with Ford

BY RICHARD JOHNS

Egypt's agreement with Ford on the construction of a vehicle assembly plant near Alexandria was condemned as a violation of the regulations of the Arab Boycott of Israel Office yesterday.

The accusation was made by Mr. Mohammed Mahgoub, Secretary-General of the Damascus-based organisation.

It seems clear that Egypt will face strong opposition when regional commissioners of the boycott (representing member States of the Arab League) meet in Libya for their next routine bi-annual meeting in December.

Last night Mr. Edson P. Williams, president of Ford Middle East and Africa Inc., a subsidiary of the U.S. company, said the company had not been satisfied that the understanding with Egypt had changed and would proceed as agreed.

In reaction to the agreement between Ford and the Egyptian Government, Kuwait and the United Arab Emirates have already declared that as far as they are concerned the company's products are still black-listed.

In practice the project would probably not be feasible unless vehicles assembled at the proposed plant have access to the pan-Arab market.

The memorandum of understanding signed in Cairo last Saturday apparently does not make Ford's removal from the boycott's black-list a condition for a go-ahead of the project.

But the commercial thinking behind the project is understood to be based on the assumption that the whole of the Arab world would be open to sales of the produce from the plant.

In an interview in Cairo yesterday, Mr. Mahgoub said "Egypt's move to sign the agreement with Ford has violated the boycott regulations and there is no justification for it."

Mr. Mahgoub said the Boycott Office that a provisionally agreed venture with Coca Cola had been made conditional on the list of embargoed concerns being cleared from the list of embargoed concerns but had not told it about the Ford deal, Mr. Mahgoub claimed.

In return for investment commitments, President Sadat's Government is believed to have formally limited to sector working for Ford and Coca Cola that would seek to remove their names from the black-list.

For President Sadat, the Ford agreement would be the first real success in attracting foreign investment resulting from his hitherto disappointing "open door" policy.

## Planning agreement row looms

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

SENIOR Ministers are preparing the ground for what could turn out to be a major battle with the Confederation of British Industry over the Government's planning agreement policy and the industrial strategy.

Unless a compromise solution is found within the next few weeks, the Government may try to force formal talks with the Confederation of British Industry into the next stage of the industrial strategy. Ministers would also publicly warn that the Labour Party's next general election manifesto could well include proposals for legislation to make planning agreements compulsory for large companies.

The seeds of the row have developed in Mr. Eric Varley's Department of Industry which is anxious both to give the industrial strategy a new impetus and to have off-Left-wing Labour Party and TUC calls for firm action to be taken on planning agreements. But it would be difficult to have a row with the CBI which could endanger current progress on the industrial strategy.

So far the strategy, which is formally limited to sector working parties covering different areas of industry but there is general agreement, embracing the CBI, that this should be extended down to individual companies. The Government, managers and employees—either in one tripartite or two bipartite groups—would then consider how the sector working party discussions could be turned into positive action within a company.

The Government would like to dub such an exercise a "planning discussion" and so revive its flagging planning agreement policy which, since it was introduced by Mr. Anthony Wedgwood Benn when he was Secretary for Industry, three years ago, has led to only one company—Christer—signing an agreement.

However more than 100 companies are already in voluntary "planning discussions" with the Department of Industry. In some cases this amounts to little more than a limited extension of the sort of contacts companies have always had with their sponsoring section of the Department, while in a few cases there is a prospect of an agreement actually being signed some time in the future.

But a strong CBI policy line opposing such a move has slowed progress and now the CBI is as determined to fight any link between planning agreements and the industrial strategy as it was a year ago to kill off the then emerging Bullock Report on worker directors.

## Power men reject peace bid

BY PAULINE CLARK AND NICK GARNETT

INDUSTRY WAS threatened yesterday after power workers rejected peace moves and went ahead with plans to stop the unofficial action which is already causing widespread power cuts.

At the same time telegraph users throughout the country, including those in the City, were affected by another dispute involving Post Office maintenance engineers which disrupted some commercial business. Telex traffic, especially to Europe, was disrupted and the service will be worsened for both European and inter-continental traffic if the dispute continues.

Leaders of the unofficial work-to-rule affecting 80 of Britain's 137 electricity power stations, who did not attend yesterday's talks, rejected a travel allowance offer as "derisory."

The threat to increase their action came as the electricity authorities warned that power blackouts to-day throughout the country were likely to be as bad as yesterday when travel disruptions of up to 15 per cent were made in peak periods during the evening.

The leaders of the action, which has hit the Central Electricity Generating Board's 30 biggest stations, are demanding fringe benefits for their three main claims for improved fringe benefits to be met before the work to rule could be called off.

At yesterday's talks between union officials and the Electricity Council, agreement was reached on payment of travel allowances ranging from 80p to £3 a week depending on the number of miles the workers have to travel to work. The offer is to be put forward jointly to the Department of Employment for approval.

But even before the talks began, Mr. Clarrise Hancock, secretary of the Yorkshire district committee which first called for action on the three claims, made it clear that agreement on travel allowances alone would not end the work to rule.

His supporters were standing firm on their demand that shift benefits and cheap electricity for workers in power stations should be introduced immediately.

He said that the claims had been on the table since last May. Unofficial action had been taken because neither the power workers' union leaders nor employers had started negotiations. The rift between the unofficial leaders and their unions appeared to widen yesterday as union officials claimed they were

## Pound and gilts fall sharply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING fell sharply yesterday in volatile and confused conditions in foreign exchange markets.

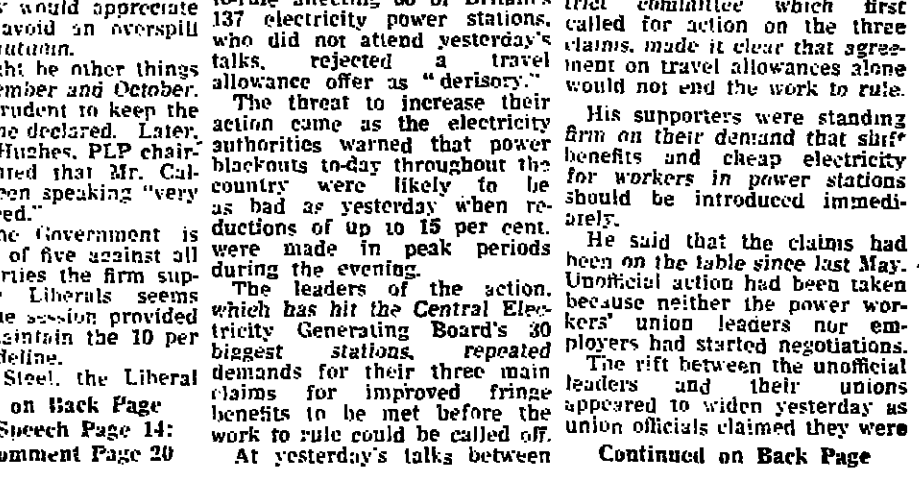
The price of the pound also declined steeply, partly in response to the drop in sterling, while certain money market interest rates rose. No change in Minimum Lending Rate is expected to-day.

The pound closed 2.35 cents down at \$1.81 in London. But at one stage in the early afternoon sterling was slightly below 5 cents from the early morning peak. The low was only just over a cent above Friday's closing level before the rate was freed.

The trade-weighted index finished 1 point down at 63.2. This is still 1 1/2 per cent higher than last Friday's close but 2 1/2 per cent lower than the Tuesday morning high when the dollar rate touched \$1.815.

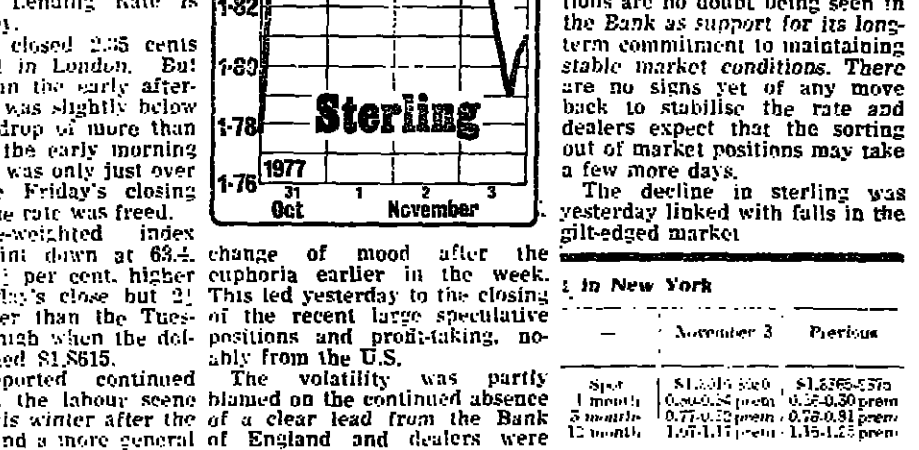
Dealers reported continued concern about the labour scene in the U.K. this winter after the Bank miners' vote and a more general change of mood after the cuphoria earlier in the week. This led yesterday to the closing of the recent large speculative positions and profit-taking, notably from the U.S.

The volatility was partly blamed on the continued absence of a clear lead from the Bank of England and dealers were



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For latest Share Index phone 01-246 8026



LOMBARD

Other end of dollar flow

BY ANTHONY HARRIS

IT IS A typical and rather endearing British quality to suppose that everything that happens to us is our own fault... the masochistic end as it were, of the old belief that we were the masters of our own fate.

On the face of it, though, one would suppose that the primary control of the supply of dollars in the world must rest with the Government that issues dollars; and one need only imagine that the British Government was responsible for present U.S. policies to imagine what our local commentators would have to say.

Neglect

Certainly it seems true that the habits of benign neglect or in other words of waiting for someone else to pull your chestnuts out of the fire, seem to die hard. The Fed has at all times tended to pursue a policy which looks only at the domestic money supply.

It would help

Because one is talking here about financial confidence, it is quite impossible to say how big a rise in interest rates would be required to turn the tide; but in this country were suffering the same uncertainty a year ago.

AROUND BRITAIN

BY JOHN LLOYD

Brunel's Kingdom

THE TOWN of Swindon, in Wiltshire, has produced a slogan which impudently coasts a snook at official government policy: "Swindon has no government can offer."

In April, Mr. Peter Shore, Secretary for the Environment, announced a change of government policy on industry and commerce in city centres. From being frowned on, and tempted (or harassed) out, it became officially approved.

Growth

Swindon has reacted to the new policy in a way in which is laudably Kingdom Brunel who first have the town an industrial heart by establishing his Great Western Railway workshop there.

group managing director of the Evered Group and, in the last two years, head of his own consultancy, which specialises in the location of new investment, especially from Germany and the U.S.

These objectives are based on a projected growth in Swindon's population, by 1985, to 160,000 (lower than a projection of 200,000 made last year).

Tradition

Growth, Mr. Smith says, has overwhelming support in a town which has a dynamic tradition. Thamesdown Council — which, since local authority re-organisation in 1974, has covered Swindon and a few villages on its outskirts — is entirely united on the matter; both the ruling Conservative and the opposition Labour group are in favour.

Employment

The plans for the future are based on six "urban villages", of between 5,000 and 6,000 people. Work has begun on two of these, Toothill and Freshbrook. There are also eight "employment areas," of which the first, Blagrove Farm, is already under development.

Second and fourth seeds cannot reach final

BY JOHN BARRE

AT THE halfway stage of the round-robin section of the Colgate series championships it is certain that Wimbledon finalist Betty Stove of Holland, the second seed, and the former Czech of 195-hander Martina Navratilova, who now lives in California and was seeded fourth, cannot reach Saturday's final worth \$75,000 and a new AMC Concorde car to the winner.

In the chill night air at Mission Hills country club on Wednesday both girls suffered a second defeat. Miss Stove was still prone to enforced error and was soundly beaten 6-2, 6-3 by Australian's Kerry Reid, whose first match this was. Miss Navratilova fell 6-4, 6-1 to a vastly improved performance from the top seed Chris Evert who looked altogether more confident than she had done when losing on Tuesday to the Australian left-hander Dianne Fromholtz.

Following the performances, we had the first opportunity to assess the form of the rejuvinated 30-year-old former world number one Billie Jean King, whose daunting programme of weight training and practice after a third knee operation last November got her sufficiently fit to win the last three of the 24-tournament Colgate series in Phoenix, Sao Paulo and San Juan.

RACING

Treble chance for Turnell

BOB TURNELL, who picked up over 250,000 in his pigeon race, 34 successful last year, could well — given a little luck — crack the £100,000 barrier this season.

SALEEROOM

BY ANTONY THORNCROF

Christie's first Islamic picture auction fetches £387,777

CHRISTIE'S HELD its first auction devoted to pictures and illustrations of Islamic interest in London yesterday.

Packer 'entitled to private deal'

CRITICISM of the secret deal in which cricketers were signed for Kerry Packer's World Series Cricket was "absurd", Mr. Andrew Morritt, Q.C., said in the High Court yesterday.

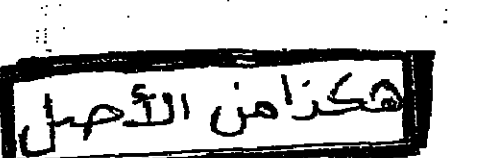
TV Radio BBC 1 7.00 The Early Film: "Master of the House" Zero Mostel 8.25 The Liver Birds. 9.00 News. 9.25 Target. 10.15 To-night (London and South-East only). 10.45 Residual News. 10.46 The Late Film: "Circus of Horrors" starring Anton Diffring.

F.T. CROSSWORD PUZZLE No. 3510

Crossword puzzle grid with numbers 1-30. 1 Game on ice with clubs may go to the head (7-5). 2 Get into line for clothing (5). 3 Made progress — in Lent? (8). 4 Belittling note I croon (10). 5 An impulse to encourage (4). 6 Broad in a north-eastern way (4). 7 Transport for a cocktail (7). 8 Amusement German women agree to follow? Quite! (13). 9 Obsolete legend used for navigation (4-8). 10 Animals with fur that is subject to tax (10). 11 Worshipping always in a circle (8). 12 Senior naval officer has to close up ring-road (3-4). 13 Ring of pearlshell? It's a point of view (7). 14 Wine for male receiving company (8). 15 We are cut short or used to be (4). 16 Animal with little pride? (4, 3). 17 An omission is no lie, or could be (7). 18 Source of energy but less than 1 H.P. (6-6). 19 Dirty male relative gets a new start (7). 20 Adorable but it's nothing to certain people (8). 21 Standard no marines must follow (4). 22 In a straight line it could be excessive (10). 23 Work overtime in musical drama (5).

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RADIO 1 6.00 a.m. As Radio 2. 7.00 No. 1. 8.00 News. 9.00 News. 9.25 Target. 10.15 To-night (London and South-East only). 10.45 Residual News. 10.46 The Late Film: "Circus of Horrors" starring Anton Diffring. 11.00 a.m. School. 1.50 p.m. Racing from Cheltenham. 7.00 News on 2 Headlines. 7.45 Road to Nowhere. 8.10 Kilvert's Diary. 8.25 The Money Programme: Sir James Goldsmith discusses his business interests, spectacular rise during the 1970s and style of management. 9.00 Jack Jones with guests Leo Sayer, Mike Yarwood. 9.45 Horizon. 10.10 Anna Karenina, part 6. 11.00 News on 2. 11.45 The Book Programme. 12.15-1.15 a.m. Closedown. Hugh Burrows' 1977 extracts from "My Dear Timothy" by Victor Gollancz. LONDON 9.30 a.m. Schools Programmes. 11.55 Felix the Cat. 12.00 The Learning Tree. 12.10 p.m. Pinks. 12.30 The Roger Whittaker Show. 1.00 News. 1.15 Index. 1.20 Help. 1.30 About Britain. 2.00 Money. 3.00 Radio. 2.25 McMillan and Wife. 3.50 The Cedar Tree. 4.15 The Swiss Family Robinson. 4.25 Magpie. 5.15 Emmerdale. 5.45 News. RADIO 2 6.00 a.m. As Radio 1. 7.00 No. 1. 8.00 News. 9.00 News. 9.25 Target. 10.15 To-night (London and South-East only). 10.45 Residual News. 10.46 The Late Film: "Circus of Horrors" starring Anton Diffring. 11.00 a.m. School. 1.50 p.m. Racing from Cheltenham. 7.00 News on 2 Headlines. 7.45 Road to Nowhere. 8.10 Kilvert's Diary. 8.25 The Money Programme: Sir James Goldsmith discusses his business interests, spectacular rise during the 1970s and style of management. 9.00 Jack Jones with guests Leo Sayer, Mike Yarwood. 9.45 Horizon. 10.10 Anna Karenina, part 6. 11.00 News on 2. 11.45 The Book Programme. 12.15-1.15 a.m. Closedown. 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# Black Comedy by NIGEL ANDREWS

the jungle of existence in immol-  
ent Britain.

It can only be because the film  
"deserves" it, either  
because it is so good, or  
because it is so bad. Andrews  
has painted the picture of a  
society and a way of life  
with broad, mostly unflattering  
strokes, and critical reservations  
constantly will before the  
vitality of the language (AI has  
a superb ear for picturesque  
obscurities), and the bravura of  
the performances. A film like  
this, casing good cheer and  
healthy scepticism about it with  
generous abandon, will probably  
do more for racial harmony than  
any number of manifestos, com-  
munist rallies or government  
bills.

Commentation is already out on  
general release, so better to see  
it before it is too late. Alfred  
Sole's blood-bolstered thriller  
will keep you on the edge of your  
seat, or possibly hiding under it,  
for 100 minutes. Is 12-year-old  
Alice the mysterious killer who  
keeps appearing in plastic mask  
and yellow raincoat, to plunge  
knives into unsuspecting passers-  
by? The film begins with a  
murder at a first communion,  
Alice's younger sister being  
strangled in the vestry and then  
found slumped in and out of  
synthem at a Sunday Eucharist  
as the murderer is revealed and  
caught after taking a last  
valedictory stab at the priest.

Between while, writer-director  
Sole leads his audience and his  
characters an ingenious dance  
through spooky corridors, up and  
down stairways, in and out of  
rusted warehouses, until the  
blinger ceases to know when  
and where the next attack is  
coming from. We watch, mean-  
while, the emotional disintegro-  
ation of an entire American  
family, presented with a passion  
and ferocity usually reserved for  
high tragedy, rather than low  
shockers. And Sole slyly invites  
us to speculate on the psycho-  
logical connection between the  
murders and the icons of  
religious fanaticism—bleeding

Christ, weeping Madonnas—on  
or national release. But others  
which his camera constantly  
dwells. A consummate thriller,  
in short, and perhaps something  
more besides.

Have you ever paused to con-  
sider what a disaster film with-  
out a disaster would be like?  
Imagine assembling an all-star  
cast, putting them in a gigantic  
and sumptuous set, describing  
the soap-opera minutiae of their  
relationships and then... hav-  
ing nothing happen? The all-star  
cast walks out of the film as  
fresh and unscathed at the end  
as they had walked into it.

This cineaste's nightmare is  
realised in *Voyage of the Dawned*,  
which takes 24 hours, with new  
to tell the story of the ship-full  
of German-Jewish refugees who  
left Hamburg for Cuba in May  
1939, were refused entry, turned  
back as it doomed to end their  
lives, after all, in Germany, and  
then were reprieved at the last  
by the good offices of four Euro-  
pean countries who agreed to  
share out the refugees. Faye  
Dunaway, Max von Sydow, Orson  
Welles, Malcolm McDowell and  
many, many more, act in this  
extraordinary exercise in non-  
drama which loses its grip on  
reality early on with scenes such  
as Miss Dunaway's appearance  
at the ship's ball in black gown,  
monocle and knee-high boots,  
and never fastens it with com-  
pensating firmness on either  
suspense or historical accuracy  
of big-screen spectacle. Stuart  
Rosenberg directed. Low Grade  
"presented" and the blame  
worthy scriptwriters were Steve  
Shagan and David Butler.

The 21st London Film Festival  
opens next week at the National  
Film Theatre, providing Lon-  
doners with their annual chance  
to catch the best in international  
cinema for the brief period that  
commodity lingers on our  
shores. Some of the offerings  
you need not rush too pre-  
cipitately to see at the LFF,  
since they have been bought by  
British distributors for London

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Rosella Benjamin, Paul Medford and Trevor Thomas in 'Black Joy'

**Bristol Old Vic**

## The Sunset Touch

Jonathan Raban's new play is  
set in an Adm Walpole vicarage  
nestling under the Rymer at  
Wandsworth. Alec Hope (August  
MacKay) has lost his church but  
directs an apologetic diatribe  
towards his Maker, that Grand  
Architect in the Sky, in which  
he yells and yabbers on the coun-  
cil estates and the declining  
standard of the Times crossword  
puzzles (probably, he submits,  
compiled by an illiterate with  
a lower second in Geography  
from Hull University) are all  
part and parcel of our cur-  
rentary malaise. The remarks  
about Hull stem from the fact  
that his gauche daughter (Marty  
Cruckshank) studied there her-  
self before sacrificing her own  
true love on the altar of her  
father's domestic welfare.

The household is disrupted by  
the arrival on the doorstep and  
in the living room of a fast-  
talking encyclopaedia salesman,  
Polydip (David Buck), who is  
about equal pressure all evening  
we eventually learn, a man  
depressive of the run from a  
bysterical wife, herself one of  
the walking wounded of the  
desolate urban landscape. The  
wife turns up to reclaim her  
gibbering spouse, but not before  
Polydip and the vicar have  
started to produce a magazine  
for the deprived masses and the  
daughter has been magically  
transformed from a condition of  
mildewed frumpiness to slow-  
moving femininity by a visit to  
a boutique and a subsequent dose  
of strong sex with her corthor-  
ary saviour.

The writing is fast and stink-  
deres that for the most part  
derive from Polydip's obsession  
with Albert Einstein. "The first  
citizen of the century." But the  
characters exist merely as  
siphons for the conveying of  
Mr. Raban's over-stuffed wit,  
which comes gushing forth at

**Festival Hall**

## Leipzig Gewandhaus Orchestra

*Dol Paradiso ad Inferno*—thus,  
we feared, Mahler's famous de-  
scription of the Finale to his First  
Symphony might be reversed on

Wednesday, for the Festival Hall  
had been promised a power cut  
at 9.30 p.m. In fact, the inferno  
never came, and the visiting  
Leipzig Orchestra were able to  
push their riveting, powerful  
performance of the symphony to  
its tremendous conclusion.

The threat of the cut had one  
revealing side-effect. In order  
to hurry things along, the con-  
cert was given without interval,  
and thus the symphony was  
heard immediately after Mahler's  
*Lieder eines fahrenden Gesellen*,  
to which it owes so much. The  
Leipzig's personal, restrained  
intimations of tragedy amid  
nature are taken out on to the  
vast, universal stage in the  
symphony, the composition of  
the two works overlapped, and  
there is a direct (and in this  
context highly poignant) quota-  
tion from the cycle in the sym-  
phony's funeral march.

Kurt Masur's control of the  
accompaniment to the *Lieder*  
aimed above all at sharp charac-  
terisation and differentiation of  
colour. He drew some delicious  
sounds from his players—buzzing  
clarinets, transparent flutes, and  
mellow strings. (It was fortunate  
that the intensity he created was  
only partly matched by the  
singer, Wolfgang Hellmich,  
though there was an easy, un-  
forced lyricism in his middle  
range, he was let down by a lack  
of penetration coupled to a sense  
of strain at the top.) In the  
symphony, too, Masur drew the  
colours of nature and the sombre,

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## Covent Garden

# Salome

by MAX LOPPERT

We no longer expect to be  
left staring at each other with  
startling eyeballs and wrecked  
nerves after a performance of  
Salome, the burlesque was Henry  
Krogh's, after the New York  
premiere. Yet after such a stir-  
ring revival of the piece as the  
Royal Opera put on last night,  
we could appreciate with  
renewed clarity just how remark-  
ably the piece is made: how  
cunning its mixture of expres-  
sionism, domestic comedy and  
erotic violence; how compen-  
dious its range of effects. It may  
be, no more possible than usual  
to respect the opera, or the com-  
poser who wrote it; but admira-  
tion for his craft must not be  
denied him. Not yet, at least.

The most stirring things were  
happening as they should, in  
the pit. This is in no way in-  
tended to slight Grace Bumbry's  
acting, and dancing in the  
title role, moving vividly and  
forcefully achieved than ever  
before at Covent Garden. It is  
simply a recognition that the  
singers in this "stage-opera"  
(as Norman Del Mar's complete  
Richard Strauss study calls the  
work) take their lead from the  
workings, the expansions and  
contractions of musical matter  
in the orchestra—and of the  
Strauss orchestra David Atherton,  
conducting, the work for the  
first time at Covent Garden shows  
itself splendidly and bravely  
various command. There was a  
Janus-like brilliance in the play-  
ing, heightened the "modernity"  
of the atmospheric devices—  
never have I heard the string  
quartet preceding Salome's  
final outburst more blanching  
than almost Fendereck-like—  
while ensuring the backwards-  
facing sumptuousness that is of  
equal if not greater importance.  
The accompaniment of voices not  
fully than before. The lurid  
fascination with which she  
watched her daughter fondle the  
head was just one suggestive  
touch of a well-considered  
staging.

Of the newcomers, Paul



Grace Bumbry

## Sadler's Wells

# Acis and Galatea

by MAX LOPPERT

Handel's early oratorio is a  
thing of surpassing beauty, a  
catalogue of musical delights;  
but it is difficult to stage. Very  
little of significance happens dur-  
ing its chain of ravishing arias  
and choruses, and what does hap-  
pen is the death of Acis and his meta-  
morphosis into a fountain—open  
problems of stagecraft. Open-  
ing the 1977 Rosebery Avenue  
season of Handel Opera (as we  
must now learn to call the  
Handel Opera Society) on Wed-  
nesday, David Thompson's pro-  
duction gave much pleasure. It  
is very pretty to look at and  
enacted, for the most part, with  
accomplishment: three of the  
soloists have been well chosen;  
and, of course, it was wonderful  
to hear the score again, under  
Charles Farncombe's sturdy and  
sensible (if sometimes a little  
unbending) direction. But per-  
haps not every solution to the  
work's problems is ideal.

The designs, by Imogen  
Magous and Miranda Mettling,  
place Handel's and Gay's "rural  
prospects" on a leaf-strewn ter-  
race, tinted with green and  
brown gauzes—this implies an  
aristocratic entertainment not  
inappropriate to the subject. An  
example of pastoral art. The  
lovers were charmingly formal-  
ised, in costume and movement  
and in their encounters. But  
there had nonetheless to be a  
good deal of "filling-in" action,  
and what does this do? It is  
performed with quite a good deal  
more conscious than it was being im-  
posed upon the work. The hand-  
ling of Polyphemus was unsatis-  
factory, mainly because Ian  
Wallace, lacking now the vocal  
resources to give a vigorous and  
full-blooded account of the  
arias, resorted to familiar  
methods of geying the monster  
as a result, the shadow that  
music of the second half found

longer ascribed to August Ever-  
Crock's Herod was impressive  
spot light in turn a whole pro-  
cession of deftly effected smaller  
boyant devices, for colouring  
the music with a voice of indi-  
vidual character not always large  
enough for lines herod as well  
as grotesque—Mr. Crook is a  
stand out in a part that needs  
a young Mimi in a part that needs  
an ageing Siegfried. There was  
lyrical, freely produced singing  
—she is crushed to death—and  
from Robin Leggate's *Narraboth*,  
and quick vivacity in the Page  
Altogether, a colourful, highly-  
of charged evening.

James Robson's play is set in  
a factory that makes some small  
component for hen batteries, and  
three-quarters of it consists of  
background material. The young  
workmen think of nothing but  
sex and football, with the accent  
heavily on sex. The older work-  
men remember their days in the  
war, talk of their gardens and  
compare their generation favour-  
ably with the younger one. Be-  
hind a glass panel (notional in  
Mary Moore's set) are four girl  
secretaries.

Among the younger men two  
stand out: Mack (Roger Rees)  
is the leader of all indiscipline,  
a noisy, idle man; and Mick  
(Hilton McTear) is the reverse,  
quiet and dreamy, not even  
interested in the endless sex  
chat. When the plot first sur-  
faces, which is at the end of the  
act, it is seen that he secretly  
fancies Evie, the prettiest of the  
girls (Pippa Guard).

At the start of the second act,  
Evie has been found raped in  
the wood, and the police have  
various types are presented con-  
for thinking that Mick may have  
been responsible. This leads to  
the only scene in the play of any  
real dramatic quality, when he is  
interrogated by the police. Mr.  
McTear plays this scene with  
noticeable sensitivity, his innocence  
conflicting with the same ul-  
timate guilt implanted in him by  
the detective (John Nettles).

Mick is brought into the fore-  
ground again at the end of the  
play, but by means so patently  
artificial, and so much at odds  
with what we have seen till then,  
that I couldn't help feeling Mr.  
Robson had been desperate to  
find some way to finish. He  
should have finished an hour  
sooner, for there is barely  
enough in the play to fill one  
act. The most telling lines are  
those in which the men complain  
how slowly the time passes;  
it does for us, too.

Bill Alexander is the director,  
He gives us rather a restless  
look movement of some kind  
going on everywhere all the time.  
There, is little opportunity for  
acting of any depth, but the  
wood, and the police have reason  
various types are presented con-  
for thinking that Mick may have  
vincingly enough.

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## Elizabeth Hall

# Fires of London

by DOMINIC GILL

Peter Maxwell Davies's  
ensemble of six musicians, first  
known as the Pierrot Players, pieces, *Eight Songs for a Mind*  
more recently as the Fires of London, are now so much a  
part of our musical consciousness,  
self, almost a tradition to them-  
selves, that we may be in danger  
of taking them too much for  
granted, or of passing them by.  
They are, at the very least, ever  
a welcome antidote to the drier,  
fustier scenes of our new-  
music scene: at most—and at  
times—they are still an important  
and virtuosic group, who are capable  
of giving, and regularly give,  
concerts of the highest quality.

The first half of their pro-  
gramme on Wednesday evening  
was a lightweight hors d'oeuvre,  
delicately effervescent, im-  
mensely enjoyable: a little  
Davies arrangement for Pierrot  
ensemble of the early 17th-century  
Klopp's *Fantasia*, Dances,  
arranged, distorted, fragmented  
and interspersed with com-  
mentaries, elegantly and with  
a certain quiet wit, by the Scots  
composer Ian McQueen; and a  
solo performance (in place of the  
Elliott Carter *Duo* originally  
announced) by the Fires' pianist  
Stephen Piusula of the *Fantasia*  
*Baetica* of de Falla—an account  
made without much magic of  
timbre, but with persuasive  
strengths of its own, rhythmic  
toughness, and clarity.

The evening's aim was to  
one of the earliest, and still one

of the most successful and  
original of Davies's music-theatre  
pieces, *Eight Songs for a Mind*  
King—his performance is a  
model for much fine instrumental  
play, and for the mis-casting of  
Michael Rippon in the vocal role.  
Mr. Rippon's part is an accom-  
plished, often brilliant, assump-  
tion, from first to last almost  
wholly wrong. He played his Mad  
King for laughs; submerging the  
pathos of the part in a repertoire  
of fustian lunatic cliché, wide  
and crooked postures, ties and  
virtuosic group, who are capable  
of giving, and regularly give,  
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EUROPEAN NEWS

EUROCOMMUNISM ROW COMES TO SURFACE AT CELEBRATIONS

Carrillo barred from speaking in Kremlin

BY DAVID SATTER

SR. SANTIAGO CARRILLO, the Spanish Communist leader, said today he was prevented from delivering a speech to the Kremlin meeting marking the 60th anniversary of the October Socialist Revolution after it became clear that he intended to use the opportunity to defend his liberal "Eurocommunist" views.

of other countries who met in the Kremlin's Palace of Congresses and greeted with enthusiastic applause implicit attacks on Eurocommunism delivered by leaders of relatively insignificant Communist parties.

Mr. Brezhnev's speech and those of orthodox Communist leaders have been characterised by repeated references to "Proletarian internationalism," a code phrase for Soviet control.

Enthusiastic applause also greeted the speech by Mr. Meir Vilner, leader of the Israeli Communist Party, who speaking in Russian, denounced "anti-Sovietism" and "Right-wing opportunism."

Mr. Carrillo's participation in the 60th anniversary celebration was arranged last month by Mr. Viktor Afanasyev, editor of the Communist Party newspaper Pravda, who assured him he would be able to speak and asked him to prepare a speech.

Many feared dead in Athens floods

ATHENS, Nov. 3

RESCUE TEAMS dug through mud and debris today looking for bodies after a night of torrential rains and flooding which killed at least 26 people in Athens and Piraeus.

Athens and its port city five miles away were put under a state of emergency and troops called out to help police and firemen in the rescue operation.

Large sections of both cities were still under water today as rescue workers shovelled through tons of mud which swept down the mountains, inundating buildings and burying cars and people.

Our Athens correspondent adds: Premier Constantine Karamanlis today ordered an assessment of the damage which unofficial estimates put at more than 100,000 (£2.7m.).

Soviet walk-out over Mintoff Peking speech THE MALTESE Prime Minister, Mr. Dom Mintoff, provoked a Soviet bloc walk-out from a Peking Banquet last night when he criticised Moscow for remaining aloof to his efforts to drive Nato from his country.

Barre puts curb on food prices

BY DAVID CURRY

PARIS, Nov. 3

M. RAYMOND BARRE, the French Prime Minister, tonight announced a further clampdown on food prices in an attempt to curb the recent rises in the cost of living.

In a television statement notable for its flat refusal to deviate from the broad economic strategy laid down 13 months ago, M. Barre placed the blame for the price acceleration firmly at the door of wholesalers and smaller retailers.

He announced a 5 per cent. cut in chicken prices to take into account the decline in the price of soyas, and said that profit margins on veal will be frozen in line with measures already applying to beef, fish and seafood.

anonymous types, mineral water and beer are being subject to price ceilings in bars and restaurants; the price of fresh pasta (up 6.4 per cent. in three months) is being blocked; and butter prices will be reduced from December.

In addition, the European Commission has been asked to reduce tariffs on imported apples and citrus fruit to improve supplies.

M. Barre also said the Government would encourage the establishment of supermarkets in places where competition in retailing was inadequate—notably Paris.

Rungis Wholesale Market outside Paris, already identified by the Government as little short of an unofficial system of social security for wholesalers. He also promised increased vigilance and a broader scope for the Government's anti-monopoly activity.

The Prime Minister was re-elected to a 0.9 per cent. retail price increase, and the prospect of a similarly high figure for October. The nine-month increase was 7.4 per cent., and threatened the target of keeping the 1977 increase below last year's 9.9 per cent. inflation level.

M. Barre admitted that the original target of an 8.5 per cent. maximum increase in 1977 would not be met. Both industrial prices and the cost of services had risen moderately, he said, but food had increased by 11.1 per cent. this year, up to September, against 8.5 per cent. over the same period last year.

Part of this was due to commodity prices and part to the 18.4 per cent. increase in fruit and vegetable prices since January, which largely reflected the bad weather. Certain foodstuffs, however, had risen exorbitantly without commodity or climatic excuse, and it was here that the Government was determined to act.

M. Barre rejected any return to an absolute price freeze, which would only postpone problems, and insisted on the need to stick to the global recovery strategy.

This depends on a redressment of the trade balance, maintenance of the parity of the franc, the control of industrial costs through wage restraint, the agreement of semi-voluntary subsidies for industrial price increases, and prudence in managing the national finances.

Italy again shows surplus

BY PAUL BETTS

ROME, Nov. 3

FOR THE fifth consecutive month, Italy recorded a surplus in its balance of payments in October.

Quoting official Bank of Italy projections for October, Sig. Mario Barone, director-general of the Banco di Roma, disclosed today that the October payments surplus would be slightly less than the Lire331bn. (about £25m.) September surplus.

Sig. Barone also confirmed that Italy's payments account this year would just about break even after closing with a deficit of close on L1.5bn. last year.

expected to hold an early meeting of economic ministers to consider new measures aimed chiefly at easing unemployment in the depressed South and reviving the ailing construction industry. There may also be a parallel decision to increase telephone and domestic electricity prices.

While acknowledging Italy's improved short-term economic outlook, the unions are expressing growing concern over the employment repercussions of the continuing decline in industrial production.

Indeed, some 850,000 workers in the financially troubled textile sector went on strike today, while more than half a million public sector employees also stopped work, renewing their demands for long overdue new labour contracts.

The public employees' strike, among other things, completely paralysed traffic at Italian airports today.

Stalemate in Dutch cabinet formation

THE bid to form a new Dutch Cabinet is again near collapse because of efforts by Mr. Joop den Uyl to prevent the Christian Democrats from including in the Cabinet a minister he considers too conservative, the Christian Democrat, Mr. Ruud Lubbers, in the position. It is essential for Mr. den Uyl to avoid having more conservatives in his Cabinet, but it will be difficult to persuade Mr. Andriessen to take a less weighty ministry.

Swiss growth

Swiss Government Chief Economic Adviser M. Waldemar Jucker said he now expects Switzerland to post a real growth rate of around 3 per cent. this year, substantially above the 1 per cent. forecast at the start of the year and last year's zero growth.

Reuter reports from Zurich. In September Swiss bankers said they expected growth of around 2.5 per cent. this year. M. Jucker said the improved forecast follows the successes of Swiss exporters.

Danish air talks

British Trade Ministry officials are prepared to visit Denmark next week for talks on the dispute over new air routes between the two countries, the Danish Foreign Ministry said.

Austria in red

Austria's trade deficit in September widened to Sch.3.3bn, up 17.9 per cent. from September 1976, the Austrian Central Statistical Office announced. AP-DJ reports from Vienna.

Yugoslav deficit

Yugoslavia's trade deficit for the first 10 months of 1977 rose sharply to \$3.7bn, from \$1.7bn, for the like year-earlier period, the Foreign Trade Ministry said. Agencies report from Belgrade. Meanwhile, President Tito has cancelled his international commitments because of fatigue, but is in good health and resting, a Foreign Ministry spokesman said.

Abu Dhabi order

LancerBuss has secured a contract from the Port Authority of Abu Dhabi for 28 2000kg and 3000kg-capacity frontlifts.

Portugal spending cuts planned

BY DIANA SMITH

LISBON, Nov. 3

TIGHT control of public spending and deliberate discouragement through higher direct and indirect taxes are the keystones of Portugal's 1978 budget.

The measures are aimed at cutting Portugal's balance of payments deficit, now close to \$200m, and at trying to bring to balance revenue and expenditure, which in 1978 will be Esc.164bn. (£2,340m.) and Esc.223bn. (£3,186m.) respectively.

Next year's tax increases—10 per cent. on ordinary income tax and estate duties, 15 per cent. on capital gains, company and property tax, 20 to 30 per cent. on sales tax and new punitive purchase tax on cars, will bring in 36 per cent. more tax revenue than in 1977.

After years of tolerating tax evasion, the Portuguese state is now attempting a clampdown. Over one million people have court cases pending against them. New computerised data processing, tax numbers and company identity cards are expected to make it easier to track down evaders with greater speed.

The cumbersome public sector—now accounting for 45.4 per cent. of gross fixed capital formation—and the over 160 firms receiving State subsidies or guarantees for loans, are to be scrutinised with utmost care by Treasury officials. The bureaucracy, which accounted for 38.2 per cent. of GNP in 1977 (compared with 28.2 per cent. in 1976), will also be so scrutinised.

Nevertheless, to finance next year's expenditure, the State will have to resort to loans, which equal 17.5 per cent. of total revenue, and 24.9 per cent. of total budget revenue. The public debt now totals £3.2bn. Current expenditure in the administrative sector has quadrupled in five years: capital expenditure in the public sector has multiplied five and a half times, subsidies 11 times, gross fixed capital formation eight times. Meanwhile, production in publicly owned firms has been low, public services run at heavy losses and productivity of civil servants is traditionally low.

Portugal's Finance Minister, has long been a lone voice, fighting to make the public and, sometimes, his colleagues understand that the country is not consuming as fast as Portugal was a rich country. He and his heads of department spent several hours today, patiently explaining statistics to the Press in the hope that the media would put across his message to the people that austerity is inevitable.

Spanish jail riots

Police firing smoke-bares and tear-bullets yesterday quelled prison riots which erupted as part of a pro-amnesty campaign in at least two southern Spanish towns, according to agency reports from Madrid. Meanwhile, Spanish government workers have threatened a three-day strike from November 11 because the Government had not paid wage increases promised last month. The Under-Secretary for Transport, Mr. Ignacio Bayon, told reporters the strike could paralyse Spanish airports. He said the promised increases could not be paid because they would break an agreement between the Government and Opposition leaders limiting rises to 22 per cent. Airport workers had already been given a 28 per cent. pay rise this year.

Bundesbank spends \$1bn. to smooth exchange fluctuation

BY ADRIAN DICKS

BONN, Nov. 3

THE BUNDESBANK spent upwards of \$1bn. during October in its efforts to smooth out irregular fluctuations on the foreign exchange market, according to figures published today.

The Bundesbank's net foreign currency holdings rose by DM2.5bn. (£202m.) during last month, suggesting that it was intervening on a rather larger scale than had been previously believed.

In a joint Press conference here yesterday, both Herr Hans Apel, the West German Finance Minister, and Mr. Michael Blumenthal, the U.S. Secretary of the Treasury, insisted that their countries' respective interventions on foreign exchange markets would amount to no more than smoothing out operations—some interest in Frankfurt with his comment that he believed in a "strong dollar."

The Bundesbank also published figures to-day that showed a rapid widening of DM1.1bn. in September in West Germany's deficit on basic balance of payments, which includes long-term capital movements. About half of this appears to have been due to a doubling from DM800m. to DM1.6bn. in capital exports to West German companies. For the rest, a high rate of dividend payments by West German companies to overseas parent groups and a high rate of spending

abroad by West German tourists appear to be responsible.

The September figures show a deficit of DM10.7bn. on a basic balance for the first nine months of 1977, compared with a surplus of DM5.5bn. for the same period of 1976. The account showed a turnaround from a surplus of DM5.7bn. in the first nine months of 1976 to a deficit of DM3.3bn. Meanwhile, the Federal Labor Office reported today a 3.2 per cent. increase in unemployment in October, from 4 to 4.2 million, representing an increase of 43,137 in the number of people out of work between September and October. Seasonally adjusted figures showed no change between the two months, and suggest that the average for the year will turn out to be below the 1.1m. mark.

Short-time working, begun during October, to just 100,000 workers, the number unemployed rose to 786,400 or 3.9 per cent. in the jobless rate for women 6 per cent., remained twice as high as the 3.1 per cent. for men.

Herr Josef Stiglitz, the head of the Labour Office, described October figures as disappointing and said the outlook was not now that a year ago. There was no sign of movement for better in the next few months.

Schmidt warning on jobs

BY JONATHAN CARR

BONN, Nov. 3

CHANCELLOR HELMUT SCHMIDT today warned against any idea that enlargement of the European Community would allow the export of unemployment from one member state to another.

Such a suggestion would not help achieve the aim of enlargement desired both by the present member states and the applicant countries.

Herr Schmidt was answering Press questions following talks with Spanish Prime Minister Adolfo Suarez who began a two-day visit here today.

Herr Schmidt said Bonn was fully aware of the economic, financial and structural problems raised by Spain's application in July to join the EEC. None of this altered its "unshakeable" support for application.

In principle West German public stand on enlargement more positive than that of a France or Italy, both of whom are competitors for the members for their Mediterranean farm products in particular.

Bonn has long held that political argument of support for democracy in the southern part of the EEC overrides economic difficulties.

However, as Herr Schmidt's comments on export of unemployment make clear, it does believe that the current rule of free movement of workers can unreservedly be extended to new members.

EEC consumer credit proposals

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 3

NEW RULES for consumer credit and hire purchase transactions, which would affect individual borrowers in all EEC countries, standards of protection similar to those planned or already in force in Britain, are to be formally proposed by the European Commission before the end of this year.

They would take the form of a directive which would be backed by Community law.

The Commissioner for Consumer Affairs, Mr. Richard Burke, said this evening that the most important innovation was that all credit agreements should be drawn up in writing.

agreements, the cash price of goods purchased, the credit and the effective annual interest rate, would have to be clearly specified, together with a statement of the terms and conditions of the credit.

The planned rules provide a seven-day "cooling off" period during which a consumer can cancel any credit agreement entered into anywhere except place of business of the creditor or supplier. There would also be provisions allowing debtor pay off obligations ahead of time and to receive a refund on interest and other charges, together with a ban on the use of new instruments as a security means of payment in credit agreements.

The drying up of foreign capital sources has been accompanied by a fall in exports. As a result, foreign suppliers are being urged to lighten up supplies in the U.K. Export Credit Guarantee Department cover of instance was limited then, since October 1 has been stopped for Turkey altogether. The British thus complain of being unable to support the raw materials and semi-manufactures they need.

The Government may hold on but many people are asking for how long. One group of British Justice Party deputy has been elected as a member of the Central Bank, at being largely left as the spoils of office were distributed and at the way of the right-wing National Action Party is winning support from the Justice Party. Some of this group would like to see a grand coalition of the Justice Party and the opposition Republican People's Party of Mr. Bulent Ecevit.

To many this would be a convenient solution, not least because with Mr. Ecevit's resignation, progress towards restoring the status quo established by the treaties of London and Zurich.

TURKEY'S FOREIGN EXCHANGE CRISIS Tough test for a frail coalition

BY OUR OWN CORRESPONDENT

ANKARA, Nov. 3

"THE KNIFE has reached the bone" is how one Turkish businessman describes the new pitch reached in the country's foreign exchange crisis. Payments for normal imports have been stopped since February and many foreign suppliers have stopped shipping the goods necessary to keep factories going.

Turkey now needs more than \$1,000m. to pay its overdue debts. But its negotiations with the International Monetary Fund team in Ankara, instead of leading to a major agreement which will be followed by Western banks making major fresh commitments to Turkey, are only leading to a fresh coalition crisis.

The present coalition is a revival of National Front coalition which presided over Turkey's mounting economic and political crisis before the June elections. Its three members have long been too divided to make any initiatives in foreign policy, while at home they have been squabbling over who should be appointed Speaker of Parliament, head of the State planning organisation or Director of the Turkish radio and television.

Their disputes are far from dignified. To-day for instance the Deputy Prime Minister, Necmettin Erbakan, the economic overlord in the present Cabinet, boycotted a Cabinet meeting until the other coalition members agreed to make more of the country's virtually non-existent foreign exchange available for pilgrims to Mecca.

The Justice Party of Mr. Suleyman Demirel comes close to accepting the conventional wisdom of the IMF, but Mr. Erbakan has staked his political future on grandiose schemes to take heavy industry to the provinces. Whether he will be prepared to lead his party, the pro-Islamic National Salvation Party, out of the coalition is perhaps unlikely.

But the present dispute is testing once again the frail alliances of the parties. These represent different constituencies: the JP, supported by Istanbul business, but now under criticism from this for failing to manage the economy, and the NSP representing the smaller Anatolian businessmen who see themselves threatened by Istanbul.

Ankara sees hope of Cyprus progress

BY OUR OWN CORRESPONDENT

ANKARA, Nov. 3

TURKEY IS now reluctantly ruling out any progress in the Cyprus dispute before the elections due on the island in February to elect the successor to the late President Makarios. However, it believes there are signs of forthcoming progress in the Cyprus dispute.

Last week President Jimmy Carter had reported to the U.S. Congress that there was a "cautious anticipation that movement towards meaningful Cyprus negotiations may soon be possible." Such movement is necessary if Congress is to approve the four-year joint defence agreement with Turkey. Failure to introduce this is seriously disturbing U.S.-Turkish relations.

The view in Ankara is that just as the Greek Government is not taking any initiatives before the Greek general election due on November 20, so on Cyprus, the Government of Interim President Suresh Kiriakou, has to be "hard and uncompromising."

However, they believe that the U.S. is now taking a more pragmatic view, similar to that of the Ford Administration, and is becoming less influenced by the Greek lobby.

Such favour for the U.S. contrasts with reservations about the role Britain can play. The Turks favour the convening of

four-party talks on the Cyprus issue next year. These would be made up of the two communities on the island: Turkey and Greece. They would be held under the chairmanship of the United Nations. Ankara believes that it has some positive signs that Athens would consider this idea favourably. But the view here is that Britain should only be brought in when the question of guaranteeing any settlement reached has to be tackled. Many Turks feel that Britain did little to protect the Turkish Cypriots in the 11 years before the coup against President Makarios, and refuse to meet its obligations established by the treaties of London and Zurich.

responsible for the slide of economy. Now the immediate foreign exchange requirements are daunting. Foreign bank estimates that the total \$200m. of international credit for the Central Bank authorised letters of credit goods, which have arrived 3400-5000 for imports done a cash against goods basis: \$1,000m. in applications by the Islamic Party and credits for contracts they have undertaken. The Central Bank has a fallen behind on its obligations under the so-called convertibles—loans by foreign banks to Turkey with the foreign exchange risk guaranteed by Turkey.

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مكازم الترحيل



# U.S. wholesale prices rise 0.8% in October

By JUREK MARTIN, U.S. EDITOR WASHINGTON, Nov. 3

Wholesale prices rose by a change in prices received by producers for those commodities sold to final users, such as consumers or other producers.

Be that as it may, the Labor Department does acknowledge that the wholesale price index has a long history of interest and will continue to publish it for the foreseeable future.

It had been clear for some time that the relief offered by lower food prices was about to end. The price of grain, a major factor in last month's increase, may well have gone up because of anticipations of higher federal support and grain sales to the Soviet Union. If its harvest should, as has turned out, be lower than planned.

But beef prices are also expected to go up over the next few months, probably will those of fruit and vegetables.

The industrial commodities index, the price of new cars notwithstanding, rose by 0.5 per cent in the month, less than September's 0.8 per cent, but the finished goods index, as its name suggests, refers only to

# Giscard pledges 'sympathy' for Quebec

By David Curry

PARIS, Nov. 3. THE FRENCH President today told the Prime Minister of Quebec that while France had the deepest "fraternal sympathy" for the province's attempts "to affirm its own personality" it could not expect France to interfere in its relations with the Federal Government.

M. Giscard d'Estaing emphasized French willingness to develop "active co-operation" with the province and added "the debate between Quebec and Ottawa does not leave France indifferent." The province was seeking to safeguard "its French identity" within "an American dimension."

The President's remarks were made at a lunch in honour of the Quebec Prime Minister, M. René Lévesque, who is on a three-day official visit to this country which has been marked by exceptional honours. Today the whole Government, except the Prime Minister, was convened to the official lunch, while M. Giscard d'Estaing made M. Lévesque a Grand Officer of the Legion d'Honneur, France's highest civil honour.

However, the French attitude to the separatist ambitions of the Quebec leader seems best summed up by a newspaper cartoon which showed the President leaning confidentially to M. Lévesque and whispering in his ear: "Vive le Québec libre"—"long live free Quebec."

While the French media has played on the theme of an economically oppressed Quebec struggling for identity within an Anglo-Saxon world—a reflection perhaps of France's subconscious view of her own predicament—it seems that the Government is drawing a careful line between heaping honours and prestige on M. Lévesque and offering material support for his aspirations.

Even so, the red carpet treatment the Quebecois has received will certainly be enough to irritate Ottawa

# CORPORATE FINANCING OF THE ARTS

## They know what they like

BY CAROWE KORZENIOWSKY IN NEW YORK

THE NOTION of museums as cultural havens aloof from the workaday world of business and finance has long been subject to ridicule by the artistic community. There has been some strong and unexpected support for their argument lately from the U.S. business sector in the form of corporate funding of the arts, and the museums themselves are responding with open arms.

A case in point is the Jasper Johns exhibition currently at the Whitney Museum of American Art. It has been extensively covered by television, newspapers and magazines. Johns is hailed by many as one of the foremost living American artists, the father of pop art, and a seminal figure for younger artists both in America and Europe.

The show at the Whitney brings together 201 works including paintings, sculptures, drawings and graphics executed over the past twenty years. It will travel to Cologne, Paris, London (Hayward Gallery, June 21-July 30), Tokyo and San Francisco.

Philip Morris, the U.S. brewer and tobacco concern, is co-sponsoring the exhibition with the National Endowment for the Arts under an arrangement known as treasury funding grants, whereby the National Endowment for the Arts provides money for cultural undertakings provided it can be matched. In this case the NEA gave \$70,000. Philip Morris answered with \$100,000, but expects to have spent close to \$250,000 before the show closes next year, largely on the international marketing effort.

In common with other U.S. corporations, PM has a diversified contribution policy ranging over the humanities, education, health and welfare as well as art. (The Federal Government provides an incentive in the form of a 5 per cent deduction on all charitable contributions.) But the trend seems to be away from health and welfare and towards the humanities and arts.

This year, about \$1m. or 20 per cent of Philip Morris's contributions go to the arts compared with 8 per cent in 1967. PM thus joins the ranks

of a small group of other large corporations spending \$1m. or more on the arts and which includes Atlantic Richfield, Exxon, IBM, Kirkpatrick Oil, Mobil, Jos Schlitz Brewing, Gulf, Corning and Alcoa. In the years between 1965 and 1977, corporate financial support of the arts rose from \$22m. to \$210m.

One substantial reason for the trend may be found in a poll commissioned by the NEA and co-sponsored by Philip Morris. One of its conclusions was that more Americans now visit museums than attend football games, and as Mr. George Weissman, vice-chairman of the Board of Philip Morris acknowledges, "We are, essentially, a marketing organization."

Promotion for the Johns show include Press previews, lavish opening parties, advertising and free brochures for all museum-goers, to introduce the show—and to remind the world at large of who is funding it.

To the charge that corporate dollars may be affecting museum fare, the Whitney administrators

answer that policy decisions are kept separate from fund raising. Mr. Walter Poleshuck, the development officer, points to the fact that "there are not more than a handful of corporations who support exhibitions on a major level. We wish there were more."

Clearly, the museums like to organise crowd pleasers and the corporations like to fund them. It is a mutually advantageous relationship, but it remains an open question whether good art is being pushed over by the museums because it is not likely to attract corporate dollars.

For their part, the people at Philip Morris seem quite willing to admit that their decisions may influence taste. In fact, Mr. Weissman feels that "Jasper Johns may never have been in the position he is today if it weren't for the show we sponsored in 1965 of the pop artists when they were still relatively unknown."

If this is the case, it might be a pointer to another trend that this year Philip Morris is launching itself into the field of photography, with sponsorship of a group show at the Museum of Modern Art.

# Europe outsells Japan in transatlantic steel market

By Stewart Fleming NEW YORK, Nov. 3

THE steel sector's consecutive month steel imports for the U.S. from the Common Market countries have exceeded those from Japan, historically the largest foreign supplier of steel to U.S. markets.

Statistics compiled by the American Iron and Steel Institute show that in September the EC countries exported 845,000 tons of steel to the U.S. compared with 720,000 tons from Japan. These figures compared with exports of 634,000 tons from Japan in the same month last year and only 313,000 tons from the EC.

Common Market steel exports to the U.S. have been expanding rapidly throughout 1977 and for the first nine months total 4.4m. tons compared with 1.9m. in the same period of last year.

For the nine-month period, Japanese exports total 5m. tons, still ahead of the Common Market figures, but almost unchanged from the comparative figures for 1976.

Institute sources suggest that total foreign imports to the U.S. could touch 20m. tons this year.

# CIA denies Manley plot

By David Bell

WASHINGTON, Nov. 3. THE CIA today took the unusual step of publicly denying an American magazine report that it attempted, on three separate occasions last year, to engineer the assassination of Mr. Michael Manley, the Prime Minister of Jamaica.

Allegations of CIA attempts to kill Mr. Manley are made in the December issue of Penthouse magazine, in a long article by two reporters for the New York newspaper Newsday. They allege that several CIA agents, although the CIA almost never comments on allegations of this kind, it said today that it had no covert programme of any kind directed at the Manley Government and had never tried to kill the Prime Minister.

For most of last year it was widely believed by many Jamaicans that the American Government, and specifically the CIA, was attempting to undermine the Manley Government although no evidence for this was ever produced. According to Penthouse, the attempts to dispose of Mr. Manley were a result of American anger at his support for Dr. Fidel Castro, the Cuban President, and at the country's intervention in the affairs of the mostly American-owned bauxite industry. The magazine claims that in December, 1975, in a private session, Dr. Henry Kissinger, then Secretary of State, warned Mr. Manley that the U.S. would "review" relations with Kingston if the Government did not adopt a more pro-American stance.

Thereafter, the article alleges, CIA agents in Jamaica fanned opposition to Mr. Manley, infiltrated the nation's small security force, supported the leader of the opposition and otherwise attempted to discredit the beleaguered Manley Government. When this failed, the authors claim, the Ford Administration gave the go-ahead for a CIA attempt to kill the Jamaican leader.

# Dock strike strands millions of dollars of cargo

NEW YORK, Nov. 3

THE MONTH-LONG dockworkers Sea-Land, which operates out of Port Newark, is the hardest hit operator with seven cargo-laden ships idled at dockside.

A number of ships, he said, were also stranded in European ports waiting for the strike to end.

The stranded ships "carried everything under the sun," particularly electronic equipment and clothing, said Mr. Jessie Langston, spokesman for the Waterfront Commission of New York harbour.

According to Mr. Langston 13 ships were tied up in Port Newark, two in Hoboken, New Jersey, and four in Brooklyn.

operations broke off on Tuesday because of a lack of progress, said Mr. Thomas Gleason, president of the striking International Longshoremen's Association.

The strike originally affected container ships from Maine to Texas but the union, negotiating with local shippers, reached agreement on Tuesday in the West Gulf Coast region.

The major snag in negotiations dropped to \$78.4m. from a September figure of \$111.5m.

Talks aimed at ending the 32-day-old walkout against local containerised shipping opera-

tions which require fewer men to unload more cargo.

A spokeswoman for Sea-Land, headquartered in Menlo Park, New Jersey, said the ships carry anywhere from 300 to 1,100 containers, each loaded with up to 30 tons of miscellaneous cargo. Included with the cargo aboard Sea-Land's stranded ships were automobiles and household goods belonging to individuals returning from overseas, she said.

Dockworkers, however, continued to handle conventional cargo ships and Mr. Langston said some 4,100 longshoremen worked 22 vessels on Wednesday.

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# Rail strike

By Robert Lindley BUENOS AIRES, Nov. 3

THE ADMINISTRATION of the state railways at midnight began dismissing striking personnel by telegram after a week in which suburban transport, especially in greater Buenos Aires, has been crippled by workers striking for higher wages.

The railway strike also affects the north-central cities Rosario and Santa Fe, but the biggest inconvenience is here, where only two of the five underground lines as well as working normally with a skeleton staff. The government has offered the underground personnel a 43 per cent rise, which however has not yet been accepted by their union.

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OVERSEAS NEWS

Algiers protest on Paris threat

By Irene Furness

ALGIERS, Nov. 3. ALGERIAN leaders have reacted sharply to French threats of military intervention to free French citizens captured during Polisario raids on Mauritania.

President Boumedienne summoned the French Ambassador and the Algerian Ministry of Foreign Affairs called in ambassadors of those countries represented in the United Nations security council to warn against French military action in North Africa.

Reinforcement of French forces at the Cap Vert base in Dakar for possible use in Mauritania is interpreted in Algiers as more related to French support for Mauritania and Moroccan claims to the West Sahara than concern for captured French citizens.

The Algerian official daily El Moudjahid asserts that the French Government is interested in purchases of uranium derived from phosphates, and for this reason supports Moroccan control over West Saharan phosphate deposits.

Polisario pressure on Mauritania has been steady for the past six months, and the Mauritania regime is beginning to feel its effects. Senegal would perhaps prefer to see a stepped-up French presence in Mauritania (which the Algerians regard as a "new colonialist crusade") to Moroccan control.

David Curry adds from Paris: While France maintained troops on the alert in Senegal and at home to keep open the option of military intervention, the main effort to free the French prisoners in Mauritania to-day passed to the diplomatic front.

The Libyan Prime Minister, Commander Abdel Salam Jalloud, who has already seen France's special representative, M. Guy Georgey, who is visiting North Africa to bring diplomatic pressure on governments in contact with Polisario will tonight meet President Giscard d'Estaing in Paris at his own request.

The Libyans have offered their good offices in the attempts by France to free the hostages.

Egypt cuts repayment of Soviet trade debts

EGYPT has decided to cut its annual repayments of trade debts to the Soviet Union from £270m. to £100m., the semi-official Cairo daily Al-Ahram announced.

The unilateral decision came only a week after President Anwar Sadat declared that Egypt would suspend repayments of its military debts to Moscow for a 10-year period, commencing on January 1 next year.

Egypt's civil debts, estimated at some \$4bn., are repaid not in cash but in kind. The £270m. repayment represents the balance between Egypt's current annual exports to the Soviet Union (£230m.-worth) and the lower value of its imports (£160m.).

Soviet-Egyptian talks to fix the trade programme for next year are scheduled to begin in Cairo early next month, and Al-Ahram said that "new principles for trade dealings" would be adopted. In other words, Egypt

will insist on reducing its written-off trade surplus with the Soviets. The Soviet Deputy Foreign Minister, Mr. Mikhail Setenko, is expected to arrive in Cairo tomorrow for talks with the Egyptian Foreign Minister, Mr. Ismail Fahmi, on Middle East peace moves. Soviet-Egyptian relations are also likely to be high on the agenda, particularly in view of the latest Egyptian decisions.

Enter adds from Cairo: Mr. Setenko has already visited Damascus for talks on the proposed reconvening of the Geneva Middle East conference. He was to-day holding similar talks with Jordanian officials in Amman. Sources said Mr. Setenko was expected to spend several days in Cairo.

The influential Al-Gomhouria newspaper said Mr. Setenko would also discuss bilateral relations, strained since Egypt expelled Soviet military advisers in 1972. The paper recalled that

the Soviet Foreign Minister, Mr. Andrei Gromyko had been due to visit Cairo in August, according to a statement issued in Moscow in June following Mr. Fahmi's visit to the Soviet Union. Informal sources said Mr. Setenko might discuss a new date for Mr. Gromyko's visit.

Egyptian official sources said at the time of Mr. Fahmi's trip to Moscow that his talks made little progress on the issues that soured relations—resumption of Russian arms supplies to Egypt and rescheduling of its military debts to the Soviet Union.

The Soviet Union maintains that Egypt, since the 1973 Arab-Israeli war, has become over-dependent on the West, in particular the U.S., for a solution to the Middle East problem. Moscow has emphasised that normalisation of political relations is vital for improvement in other fields. Egypt contends it has no political differences with Moscow as far as the Middle East crisis is concerned.

BEIRUT, Nov. 3.

Israelis demonstrate against price rises

By L. Daniel

TEL AVIV, Nov. 3. SOME 20,000 Israeli workers marched through the streets of Tel Aviv to-day in protest against the Government's new economic policies, amid a continuing wave of selective strikes against the measures.

The Tel Aviv demonstrators shouted slogans such as "Ehrlich go home." It was Mr. Stumha Ehrlich, the Finance Minister, who announced the new plan last Friday which floated the Israeli pound, lifted foreign currency restrictions and increased the price of many goods and services. The demonstration was organised by the Histadrut, the labour federation, which tried to turn it into a political demonstration against Likud, the main partner in the coalition government.

The lowest paid industrial workers and civil servants, such as postmen, will find it difficult to manage once the initial price increases in basic foodstuffs, electricity and fuel spreads to secondary products.

Mr. Ehrlich appears to have underestimated both the value of the Israeli pound and the confidence of the population in its own currency. During the first three days of banking activity since the new economic policy came into effect, sales of foreign exchange by the public have considerably exceeded purchases, with the rates for the dollar declining.

And this despite the fact that the Bank of Israel has been in the market buying dollars to prevent the rate from falling below £1.15 to the dollar. As a result, foreign currency reserves of the central bank have increased by an estimated 10 per cent. (if not more) to \$1.3bn.

Australian oil to run out in 10 years

CANBERRA, Nov. 3.

AUSTRALIA'S chief scientific research organisation said to-day that unless new domestic oilfields were discovered the country's petroleum deposits would be almost exhausted within 10 years.

The Commonwealth Scientific and Industrial Research Organisation said in its annual report that the lack of locally produced oil could increase Australia's fuel import bill from \$3,700m. (\$2,300m.) a year to about \$4,250m. a year in 1985.

South Africa to alter pass laws

BY QUENTIN PEEI

JOHANNESBURG, Nov. 3.

LEADERS of South Africa's tribal homelands have won a major increase in their authority with the announcement to-day that the notorious "pass books" for blacks in urban areas are to be abolished, and replaced with travel documents issued by the homeland Governments.

The move was agreed to-day at a meeting between leaders of seven of the eight homelands and Mr. John Vorster, the Prime Minister, with his Ministers of Bantu Administration.

Moreover, it is understood that the proposed travel documents will contain all the information at present included in the pass books. Given the widespread unpopularity of the existing system, observers suggest that the homeland governments may suffer a backlash in return for their increased authority.

To-day's statement insisted, however, that all "homeland" workers and living outside their homeland would be able to apply for travel documents "without jeopardising their present rights and privileges."

The influx control system has long been strongly criticised by a series of Government commissions dating back to the Second World War. The Viljoen Commission which reported earlier this year, said that the pass laws were "a continuing source of conflict in the community. It urged that they should be 'depenalised' at least in part, ever, is likely to be bitterly opposed by many urban blacks, on the courts of judging some of the Government's past policy of turning them into independent states like the result of a joint investigation by Transkei, with compulsory citizenship for all tribe members, land leaders launched in 1975.

The system of influx control, to find ways of streamlining it, which limits the numbers of system without abandoning it.

black workers allowed into the urban areas, will remain, but effectively will be administered by the homelands, rather than by the Department of Bantu Administration.

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The system of influx control, to find ways of streamlining it, which limits the numbers of system without abandoning it.

Japanese Minister to visit Britain

By Charles Smith

TOKYO, Nov. 3. MR. ICHIRO HATAYAMA, Japan's Foreign Minister, is visiting London on November 29 for "routine" consultations with Dr. David Owen, which, however, look likely to be dominated by talks on monetary and financial problems.

The announcement of Mr. Hatayama's visit by the Foreign Ministry here points out that British and Japanese Foreign Ministers have held regular annual meetings since some years ago and that Hatayama-Owen talks will be the 12th in the series. There have been periods when the visit of an annual U.K.-Japan Foreign Ministers' meeting seemed to be languishing for lack of urgent topics of mutual interest about which to talk.

The institution was revived however when Mr. Atsuo Okumura visited Tokyo in 1976 for discussions on monetary issues, including the most urgent, Mr. Hatayama, as a former Foreign Ministry official and close aide of the Prime Minister, Takao Fukuda, should be placed to discuss these issues.

The Owen-Hatayama visit will mark the third occasion year on which there have been ministerial contacts between Japan and Britain. In the British Trade Minister, Edmund Dell, visited Japan a mission which had the specific object of urging Japan to stop imports of manufactured goods. The reception given Japan to Mr. Dell's demands was poor and the visit is now generally thought to have been counter-productive.

This week, Mr. John Major, Secretary of State for Wales, is investment promotion whose object is to persuade Japanese companies to establish factories in U.K. development areas. The mission seems to have not a good response in Japanese business and from Government.

ON OTHER PAGES International Company News Malmros seeks help S. African loan demand Farming and Raw Materials EEC rejects U.S. grain charges

Pakistan editors arrested

By Simon Henderson

ISLAMABAD, Nov. 3. TWO MORE newspaper editors have been arrested by the authorities in Pakistan bringing the total to four detained in the last two weeks under martial law regulations.

The latest arrests, made last night, are of the editor of the Lahore edition of Mussawat, which supports the People's Party of the deposed Prime Minister, Mr. Bhutto, and the Rawalpindi editor of another Urdu daily, Hayat.

No official statement has been made on the arrests, but police sources said that Hayat editor had been arrested because he published a "baseless" report about a student protest.

The previous arrests, both in Lahore, involved the editor of the monthly magazine Urdu Digest, and the Lahore editor of Hayat. Their offences are believed to have been the publication of Government material. Both are awaiting summary military trial. In addition three newspapers in Karachi have been having difficulties in publication since the military took over their presses 12 days ago. The Karachi edition of Mussawat is not appearing nor is the People's Party weekly, Nusrat.

Arafat attempts to avoid Syria-Iraq collision

By Hsuan Hjazzi

BEIRUT, Nov. 3.

MR. YASIR ARAFAT, the Palestinian guerrilla leader, is holding talks in Baghdad in an effort to avert a head-on collision between Iraq and Syria.

Mr. Arafat, the chairman of the Palestine Liberation Organisation arrived in the Iraqi capital last night shortly after Syria accused the Iraqi regime of responsibility for the killing of a Syrian university professor in the north Syrian town of Aleppo. The man, Dr. Ali Abed Al Ali, was cut down by two gunmen while he was going for a walk with his wife. Radio Damascus said he was a member of the ruling Baath Party, and it held the blame in Baghdad responsible for the murder.

News of the assassination came 24 hours after the Syrian Defence Minister, Maj. Gen. Mustafa Tlas, warned Iraq in a speech that if the recent attempt on the life of the Foreign Minister, Mr. Abdel Halim Khaddam, had succeeded "this would have meant an armed conflict between the two countries."

Mr. Khaddam escaped unhurt when a gunman opened fire at Abu Dhabi airport last week on him and the United Arab Emirates State Minister, Mr. Saif Bin Ghobash. Mr. Bin

Ghobash was killed. Mr. Arafat has been trying to mediate in the Syrian-Iraqi conflict, but Iraq has thus far snubbed his efforts. His mediation earlier between Libya and Egypt has produced positive results.

Syria has sent a team of its own security men to participate in investigations of the Abu Dhabi shooting. A Palestinian was arrested after the attack. A Syrian official source has said the killer belonged to a new terrorist network allegedly backed by Baghdad.

Informed sources said Syria was growing impatient with what it regarded as an Iraqi campaign to undermine the regime in Damascus.

The P.L.O. has been snubbed by Palestinian involvement in such terrorist actions. It was reported to have appealed to Arab Governments not to use Palestinians in the settlement of their political scores.

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Please send me details of the Small Firms Employment Subsidy Scheme, and the Special Development Areas. Post to: Jack Bellis, Small Firms Employment Subsidy, PO Box 702, London SW20 8SZ, or telephone him on 01-214 8335. Name: Company: Address:

مكزامن التحصيل



Japan's Minister to Mexico may visit U.K. Britain in oil refining

ICHIRO Kono, Japan's Foreign Minister, is expected to visit the United Kingdom...

W. Germans optimistic on commodity fund progress

THE West German Government is hoping for definite progress in the final agreement on the establishment of a commodity fund...

Swedish car sales drop in October

THE DOWNTREND in sales of new cars in Sweden increased during October according to the latest report from the Swedish Association of Car Manufacturers...

Nordic hope for period of stability in prices

BOTH Swedish and Finnish pulp manufacturers report that sales have been made over the past two weeks at the new level of \$350 a tonne for bleached sulphate pulp...

Construction plant mergers call

MANY of the U.K.'s smaller and medium-sized construction equipment manufacturers have inadequate finance and this presents a major constraint on their achieving their full export potential...

Israel expects \$3bn. deficit

ISRAEL'S exports this year will rise 30 per cent over last year, but the country will still have a trade deficit of around \$3bn. in 1977, according to Israeli Finance Minister Mr. Simcha Ehrlich...

Bleak future for Canadians

THE BLEAK outlook for Canadian market pulp producers is expected to continue until at least mid-1978 with the prospect of prices continuing to weaken...

Sterling rise aids Britain

BRITISH papermakers, who have recently suffered from near chaotic conditions in international pulp markets, are now hopeful of a period of stability following a Scandinavian reduction in market pulp prices...

Pakistan talks on Airbus

PARIS, Nov. 3. The European Airbus Consortium has opened negotiations with Pakistan International Airlines (PIA) concerning the sale of a number of the wide-bodied aircraft...

Record business overseas

NEW contracts won overseas by British construction firms amounted to an estimated £1.7bn. at current prices in the year ended on March 31 according to the Department of the Environment...



Hong Kong textile stance

PROPOSALS submitted by the Director of Trade representing the British Crown Colony at the European Community to limit the growth of textile imports from third-world countries were 'totally unacceptable'...

Strauss for talks with Japan leaders

U.S. SPECIAL Trade Representative Mr. Robert Strauss is expected to visit Tokyo this month to discuss the dollar's fall on foreign exchange markets and Japan's trade surplus with the U.S....

ENTERTAINMENT GUIDE Cont. THEATRES: TALK OF THE TOWN, THE LAST OF THE MOHICANS, THE GODFATHER PART II. CINEMAS: ALL SEATS BOOKED, THE GODFATHER PART II.

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# Occidental takes a calculated risk

THE OCCIDENTAL offshore and difficult a reservoir to partnership is about to shoot justify the likely development its way into the Claymore Field costs involved. Inflation in the reservoir. If all goes to plan past three years has underlined perforating guns will punch this concern.

Latest cost estimates suggest that the four partners in Claymore (Occidental, Getty, Allied Chemical and Thomson Scottish) will have to invest a total of over \$630m in the field: some \$420m is being spent on the producing platform and its associated equipment; the rest will cover oil transmission and processing facilities shared with the Piper Field.

There is no indication that the banks, other financial institutions and the partners themselves have always regarded Claymore as no more than a marginally attractive field. Viewed in isolation it is questionable whether sufficient funds would have been forthcoming for its development. That is not to say it would never have been exploited: rising oil prices coupled with new production technology might well have made the prospect more attractive in time.

But at the time of its discovery in May, 1974, the Government and the oil industry was looking for a rapid build-up of North Sea production. Oil self-sufficiency by 1980 was the goal.

The trouble was that Claymore appeared to be too small

and the type of equipment needed to exploit the reserves. Claymore is a problem field, when set alongside some of the more attractive prospects like Piper and Forties. For a start it lies in a faulted structure

To make matters worse the Claymore oil is sulphurous, unlike most North Sea crudes. This not only poses further handling difficulties, it also depresses the value of the crude. In their latest report, brokers Wood-MacKenzie value the mixed Piper and Claymore oil at \$13.30 a barrel, as against \$14.00 a barrel for most other North Sea crudes.

One can sympathise with the well-documented comment of Mr. Bob MacAlister, president of Occidental International Oil, when—as the then head of the group's U.K. exploration programme—he was urging success on the eighth exploration well on Claymore. "We still need 100m barrels more or less. Keep your fingers crossed for number eight," he told colleagues. But, like the two previous wells, number eight was plugged and abandoned. It had revealed only non-commercial quantities of oil.

Fortunately, from the partners' point of view, there was the Piper Field, 30 miles to the east. Not only could Claymore oil be pumped into the Piper pipeline, passing only six miles away, and treated in an enlarged Piper oil terminal at

Flotta, in the Orkney Islands, but the two fields could be linked financially. In a novel financing deal Occidental and Thomson raised loans totalling \$270m, with Piper being used in some measure as collateral. In the case of Thomson, for instance, the lending banks which have provided the company with a \$100m, 3 per cent. share of Claymore production and a 2.5 per cent. share of Thomson's share of any oil produced from Piper in excess of 642m barrels. (Thomson has also raised a \$40m loan from a consortium of banks to finance any cost over-runs on the Claymore and Piper developments.)

The special royalty associated with the agreement to compensate the banks for certain risks associated with the project. Many of these risks have now evaporated with the successful installation of the Claymore production facilities. Indeed, it seems that Occidental may have a record for the speed with which Claymore has been developed—possibly less than 1,300 days from the date of discovery to the first oil flow.

The banking consortium, led by the International Energy Bank and the Republic National Bank of Dallas must be particu-

larly pleased that they have gained a slice of the Piper production. For Piper's peak production rate and official recoverable reserves are being up-rated.

The field contains about 1.6bn barrels of oil in place and the latest published estimate of recoverable reserves is 695m barrels. However, consultants DeGolyer and MacNaughton have been asked to look again at the projections. It is expected that their revised estimate will move closer to the official 800m barrels (re-estimated at 642m barrels).

Piper is now producing oil at the rate of around 275,000 barrels a day, already well above the expected peak flow. How- ever, the Occidental group was recently given government permission to step up maximum production to 300,000-330,000 barrels a day on condition that handling equipment is installed.

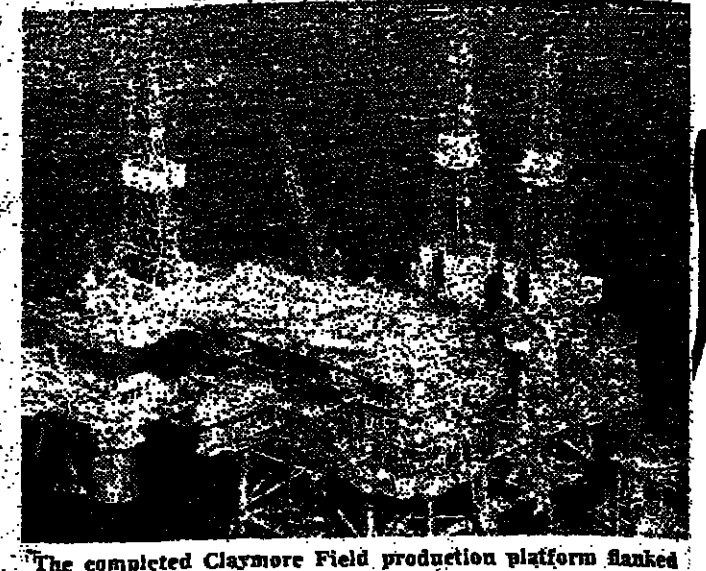
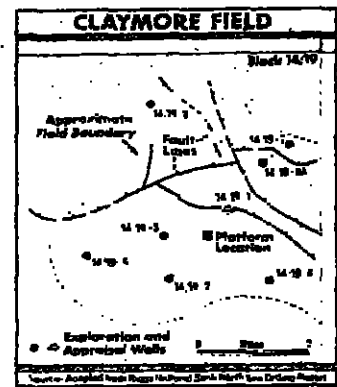
The four partners are now spending around \$150m on a system that will carry some of Piper's gas to the Frigg Field, developed—possibly less than 1,300 days from the date of discovery to the first oil flow.

The Sullom Voe terminal is also being expanded to handle extra gas liquids. It seems likely that the higher production rate on Piper will

be further hit by a big increase in national capacity. Undeterred, Occidental is going ahead. After several years of indecision (the 1974/75 energy crisis caused the group to stop and rethink its plans) the company is committed to its 6m. tons-a-year plant on Canvey Island, which will be geared to products at the lighter end of the barrel, such as petrol and diesel. The average production next year should be around 100,000 b/d with a peak of 160,000 b/d being attained towards the end of 1978.

The question remains: what will happen to all this oil from Piper and Claymore? Each member of the consortium has its own answer. Thomson, for instance, is selling its crude to Imperial Chemical Industries. Occidental has signed a two-and-a-half year contract to deliver its share to an un-named oil refiner with U.K. refining capacity. Eventually, however, Occidental plans to refine its own crude in a new plant, partly built on Canvey Island in the Thames Estuary. This may turn out to be the most controversial aspect of the whole Piper and Claymore development, because the big oil companies in Britain maintain that no new primary refinery capacity will be needed before the mid-1980s.

With Cromarty Petroleum also planning a new refinery in Scotland, the U.K. oil industry is concerned that its existing plants already under-used, will take yet another calculated risk.



The completed Claymore Field production platform banked by a support semi-submersible rig and lay-barge.

achieved through only 24 producing wells. This is some six less than projected—a clear indication that the Piper reservoir has even better producing characteristics than forecast.

Claymore's performance, however, has yet to be assessed. The idea is that the first six wells should yield oil at about 70,000 barrels a day. The average production next year should be around 100,000 b/d with a peak of 160,000 b/d being attained towards the end of 1978.

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## APPOINTMENTS

### Dunlop Engineering Group Board post

Mr. J. D. Costigan has been appointed to the Board of DUNLOP ENGINEERING GROUP, with J. Schroder Wagg and Co. Coventry. He joined Dunlop in 1946 and has been with the Engineering Group since 1968.

Mr. J. O. Taberner has been appointed managing director of APPEAL, a subsidiary of Amalgamated Power Engineering.

Mr. Peter Inch, currently general manager, has been appointed to the Board of USHER-WALKER-BINGHAM, a member of the Usher-Walker group.

Mr. E. M. Coopey has been appointed to the Board of THOMAS COOK GROUP.

Mr. Peter Fielding has become managing director of ESAB, the U.K. company of the Swedish-based ESAB International Group. He succeeds Mr. Leslie Lidstone, who has retired.

Mr. H. A. Latham has resigned all executive appointments within the SANDERSON-KAYSER group because of ill-health. Mr. Eric Walker has been appointed to the Board as director of Industrial Relations and engineering services.

Mr. Frank Martin, company secretary of TRICITY FINANCE, has been appointed administrative director. Mr. Douglas Taylor, marketing manager, has become marketing director.

Mr. Michael A. Icke has been appointed marketing director of LINFAST FASTENER CENTRES, a subsidiary company of Linread.

The name of Sabib Bacon and Co., stockbrokers, has been changed to SABIN BACON WHITE AND CO., coinciding with Mr. Graham White joining the firm as joint senior partner.

Mr. Brian Chernetz, managing director of the CLAREMONT CASH AND CARRY GROUP, founder members of Landmark, has been elected chairman of the group in succession to Mr. J. C. Stebbins, who has relinquished the position to devote more time to other business interests, although still remaining a director.

Mr. Don Riley, City manager of GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, has become London manager.

Mr. Christopher Garrod has joined the Board of GARROD AND LOFTHOUSE.

Mr. A. R. F. Burton has been appointed a director of the MERCANTILE INVESTMENT TRUST.

The Secretary for Education has appointed Professor Sir Andrew Huxley to the AGRICULTURAL RESEARCH COUNCIL for five years. Professor Huxley replaces Sir Bernard Katz, who has retired after ten years' service.

The Secretary for Prices has appointed Mr. G. J. Hodder as chairman of the TRANSPORT USERS CONSULTATIVE COMMITTEE (London) until October 31, 1978. Dr. Hodder is head of the public affairs unit, appointed by the NATIONAL WATER COUNCIL as investment chairman of the Advisory Centre for Education.

Mr. T. Lewis has resigned from the Board of BARKS ESTATES.

Mr. C. W. Crowther has been appointed by the NATIONAL MANAGER of its newly-formed in-

# Sainsbury's are moving north... and looking for sites

For years Sainsbury's has been a household name in the south, offering unrivalled quality and unbeatable value. Now they are looking for sites further north and are anxious to get in touch with anyone who owns or knows of land available for the development of high quality stores and supermarkets, both in and out of town.

As an incentive Sainsbury's are prepared to negotiate a contract for the development and construction of stores with anyone who can effect a successful introduction, with the possibility of involvement in future developments.

The sites they are seeking fall into four categories:

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For SavaCentres - large scale hypermarkets which are jointly operated by Sainsbury's and British Home Stores.

These sites must be within five miles of a town centre in an area of high density population and served by good road communications.

4-6 acres  
For district shopping centres with parking.

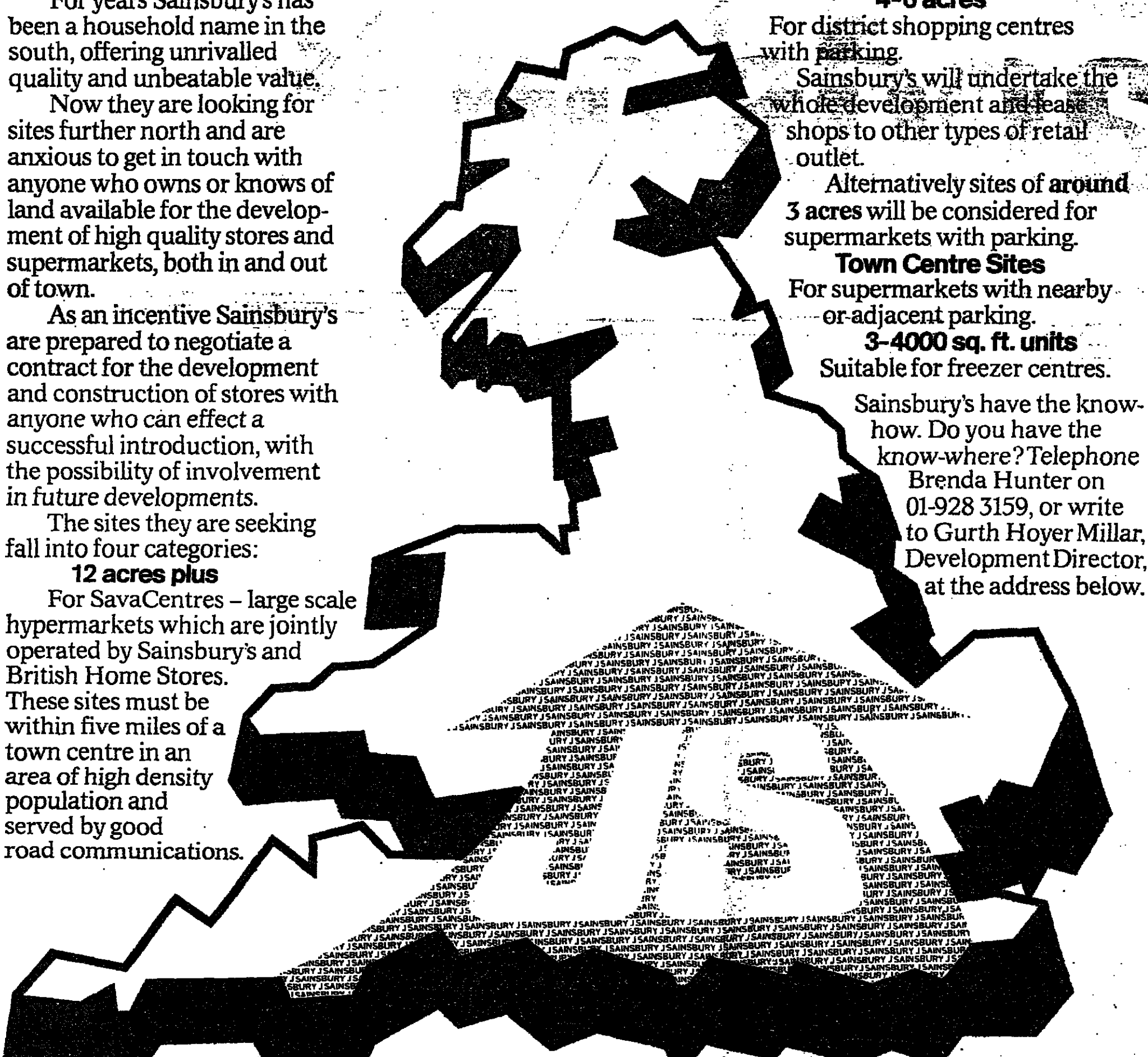
Sainsbury's will undertake the whole development and lease shops to other types of retail outlet.

Alternatively sites of around 3 acres will be considered for supermarkets with parking.

Town Centre Sites  
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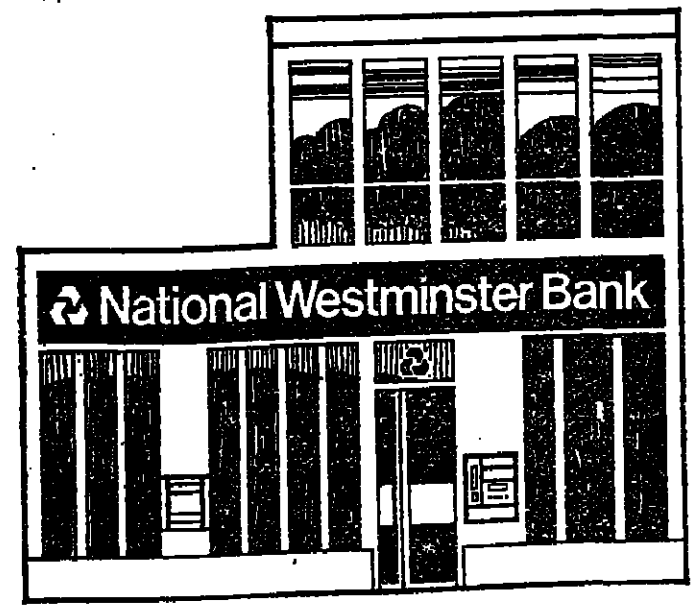
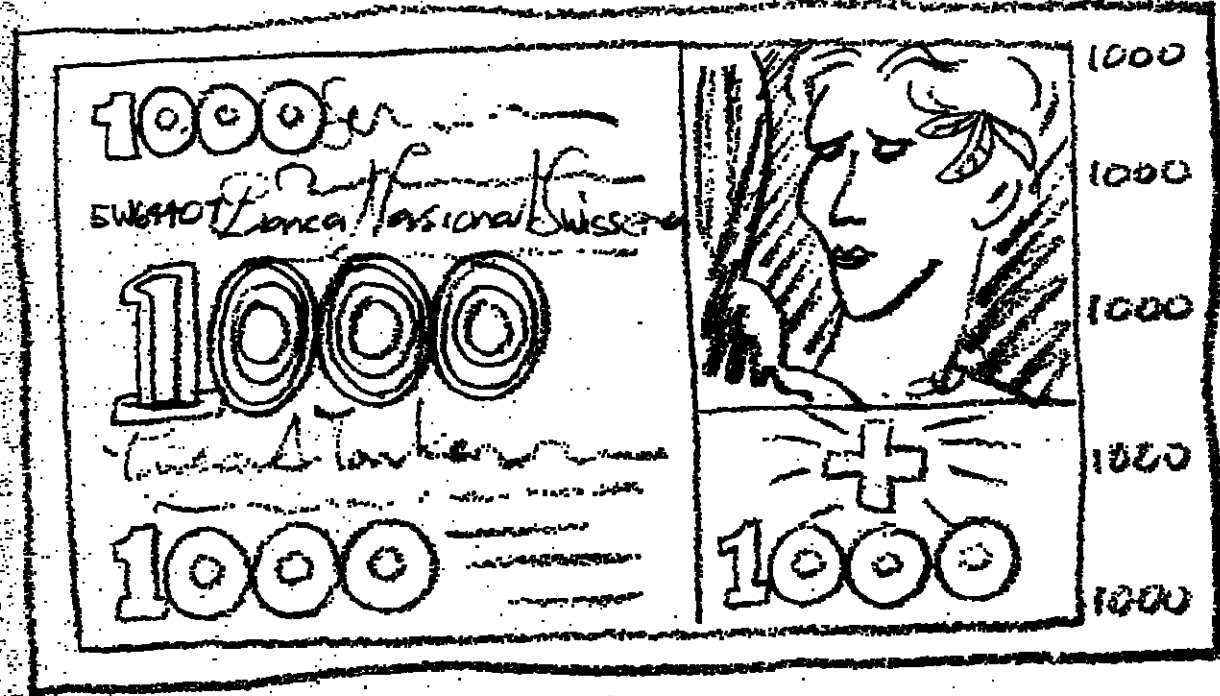
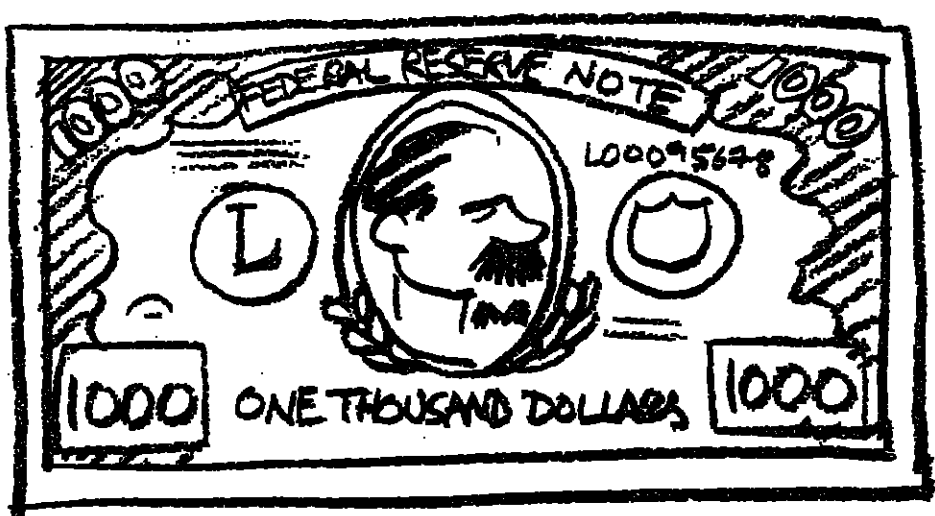
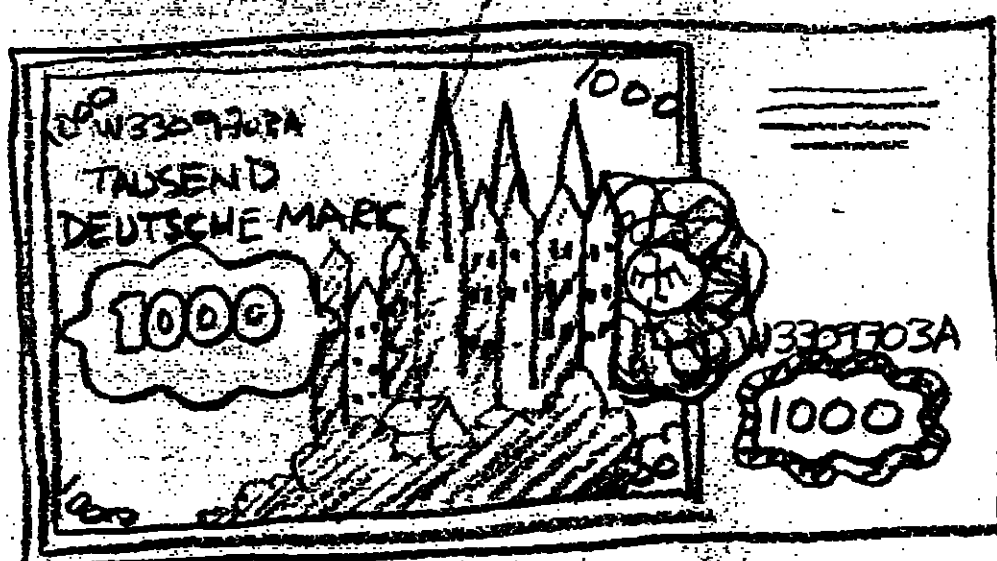
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### NatWest



HOME NEWS

House building activity shows marked increase

THERE WAS a marked upturn in house building activity during September, according to Government figures released yesterday. Although September is a seasonally buoyant period for housing activity and output remains down on the previous year's levels, the report on activity during the month is nevertheless the most encouraging so far this year.

Completions

According to the Department of the Environment, contractors made a start on 13,900 council homes in September, an improvement of 2,000 on the previous month but still 1,000 units lower than in the same period of 1976.

A start is expected to have been made on around 135,000 council homes this year against 171,000 in 1976. Next year the total could be down to around 120,000. In the private housing sector, starts this year should be between 130,000 and 135,000 against nearly 155,000 last year. In 1978 the figures should rise to a maximum of 150,000.

Only two business sectors earn 20%

ONLY TWO sectors of British industry — grocery wholesaling and clothing manufacture — have shown a return on capital employed of more than 20 per cent. over the past three years, according to a study of 56 sectors of industry and commerce published today.

The worst performer is the machine tools sector which produced a return of less than 1 per cent. in the 12 months to last October.

This figure is severely affected by the losses at Alfred Herbert but even excluding this company, the return for the sector is still a poor 5.6 per cent.

Exporting The study also shows that exporting is no sure-fire path to profitability.

Of the 13 sectors which export more than 20 per cent. of their total turnover, only three produced more than 20 per cent. on capital last year and six show a return of less than 15 per cent.

Engineering features strongly among the leading exporters, with pumps, machine tools, electronic instruments, valves and mechanical handling equipment in the top six positions for overseas sales.

Industrial Performance Analysis: A financial analysis of 117 UK industry and commerce. Third edition. Published by Inter Company Comparisons, Ltd.

Accused executives 'claimed they took blame for others'

FINANCIAL TIMES REPORTER

ALLEGATIONS of what went on at confidential Board Room meetings at the Royal Electronics group were made at an Old Bailey trial yesterday.

At one stage, the jury was told, Mr. Cross, Harrison, group chairman had apparently been pressing to get a contract for radio equipment worth £1m, because it was important to the company's profitability in 1972.

But he had rejected any responsibility for payments said to have gone to a Defence Ministry signals adviser, Lt-Col. David Randal, 41, of Aldershot, in order to achieve the deal.

The payments of £25,000 are alleged to have come from two of his executives at the subsidiary company Royal BCC, Mr. Geoffrey Wellburn, 41, of Beaconsfield, its former managing director, and Mr. Frank Nurdin, 61, of Barnet, its former sales director, who with Lt-Col. Randal deny corruption charges.

Mr. Kenneth Richardson, prosecuting, said the two accused executives had claimed at times that they had been manoeuvred into taking the responsibility for the actions of other people, and felt they had been unfairly treated for their loyalty to the

company over the negotiations. These had ended in Royal BCC getting the contract for radio equipment for Chiefstaff tanks which the Shah was buying from Britain.

Mr. Harrison, other senior men from the Royal group, and Defence Ministry officials would be giving evidence later in the case.

Mr. Richardson told the jury that there had been "very fierce" U.S. competition for the contract which was awarded in February 1972. Lt-Col. Randal had been asked by the Defence Ministry to promote the deal for Britain.

It was essential for Royal to have his full co-operation, and he was alleged to have asked for a commission of £22,500 at the rate of 1 per cent. of the contract.

The Crown claims that both Mr. Wellburn and Mr. Nurdin had agreed to this, and that the money was paid to him in various amounts at its Wembley office or elsewhere.

When an Army inquiry into Lt-Col. Randal's conduct began

in 1974 on his return from military secondment to the Trucial States, Mr. Harrison and his deputy managing director, Mr. Oliver Frenn, had called Mr. Nurdin and Mr. Wellburn to meetings at the company's Bracknell headquarters, Mr. Richardson went on.

Mr. Wellburn claimed there had been an agreement to give Lt-Col. Randal £5,000 a year for his services. But Mr. Harrison denied this was so and said that all that had been offered was the possibility of a job for Randal after he left the Army if the defence authorities approved.

After Scotland Yard officers were called in, Mr. Wellburn was said to have told them: "We paid expenses to Lt-Col. Randal for entertaining Iranian army officers, and the rest of the money was commission to pay them to promote our equipment in opposition to the Americans."

"We did not discuss the disposal of the money between Randal and the Iranians, as we did not deal directly with them. We have carried out the company's arrangements loyally, but we are at the end of the 'string and have to dance to it'."

The hearing was adjourned until to-day.

Windscale nuclear inquiry 'too late'

By Ian Breach

THE GOVERNMENT should have identified the question of nuclear fuel reprocessing as a major and controversial issue at least 18 months ago rather than call at a later stage for an inquiry, Mr. Con Allday managing director of British Nuclear Fuels, said yesterday.

The present inquiry has caused considerable disruption within the industry in general and his company in particular. "We decided our commercial and technical policy ten years ago. The Government could, and should have, determined then or shortly afterwards some kind of independent inquiry."

It is no excuse to say the Government could have done an inquiry only when a site application was made. An inquiry of the kind conducted in Windscale for the past five months should have been linked to matters of policy, not site planning.

Mr. Allday thought decision making was the responsibility of Government. If it wanted to improve the means of expressing views and opinions on issues as complex as civilian nuclear power, it must look for better ways of achieving that than by holding a public inquiry "which has produced more, not less confusion in the minds of the public."

100 days His own view was that a completely new way of weighing balance of opinions was needed. This might be done by letting a proponent submit his case and then for written evidence to be given by way of comments or opposition. Some way was needed of "boiling down issues" which would be quicker and more effective.

As Mr. Allday was speaking the case for his company was being concluded by Lord Silcoff QC, who is expected to bring the inquiry to an end this morning, 100 working days after it opened in June.

Replying to claims that reprocessing plant—from which plutonium would be recovered—would exacerbate the risk of weapon proliferation, Lord Silcoff said that British Nuclear Fuels was no less concerned about the dangers of proliferation than were the objector but that this was no reason for withholding permission for reprocessing plant.

Work done on and in this plant, if it were conducted would be of value in the research programme to evaluate nuclear fuel as which was set up after this year's Whitehall summit. Plutonium could be turned into a bomb but many more factors than this had to be taken into account.

Call for consumer law change

By Our Consumer Affairs Correspondent

MR. MICHAEL SHANKS, new chairman of the Government-financed National Consumer Council, called yesterday for new measures to control unsafe products, and for legislation to make it easier for injured consumers to obtain redress from manufacturers.

Though there was no specific mention of a new consumer safety Bill in the Queen's Speech, Ministers have canvassed the introduction of legislation allowing the Government to ban whole categories of dangerous merchandise.

Mr. Shanks said that such powers would be welcomed by the National Consumer Council. There was a need also for legislation covering existing products.

Mr. Shanks backed the principle behind the EEC draft directive on product liability which would make manufacturers responsible in law for injuries caused by defective products.

Britain, he said, must ensure that legislation on product liability was practicable and that "legalism did not run riot" as had happened in the U.S. when the courts adopted the principle of strict liability.

Mr. Shanks added: "The NCC's realm of interest extends far beyond the traditional High Street tomes, such as labelling and quality."

Sterling float 'may help cut inflation'

By MICHAEL BLANDEN

THE DECISION to allow the pound to rise in the face of the strong inflows from abroad gives rise to "a possible sustained fall in the inflation rate," according to stockbrokers Sheppards and Chase in their latest gilt-edged market commentary.

If sterling had been held down much longer the result would have been a rise in short-term interest rates. These had been reduced to a "dangerously low level relative to the prevailing inflation rate," partly as a result of the desire to choke off capital inflows.

The change in official policy, however, had improved the prospects here, as virtually everywhere. The rise in sterling would enable the gap between interest rates and inflation to be narrowed without any upward pressure on interest rates.

The brokers said figures due later this month would show that domestic credit expansion, the main measure monitored by the International Monetary Fund, was well below £2bn in the first half of the financial year. This was well under the levels allowed by the IMF.

Money supply had been growing much more rapidly, with the sterling component of the money stock on the wider definition

Exporting

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New police commissioner

DEPUTY Assistant Commissioner Peter Marshall of Scotland Yard was yesterday elected Commissioner of Police for the City of London from January 3 by the Court of Common Council.

Mr. Marshall, who is 47, is the director of information at Scotland Yard. He joined the Metropolitan Police in 1959 and was head of the Community Relations Branch from 1962 until he took over the Youth and Public Relations department in July last year.

Cash plea by civil engineers

By MICHAEL CASSELL, BUILDING CORRESPONDENT

LEADERS of the civil engineering industry yesterday met Government Ministers to stake their claim to a share of the £400m due to be injected into the construction sector next year.

Representatives of the Civil Engineering Economic Development Committee met Mr. Peter Shore, Secretary for the Environment, and Mr. Reg Ffreson, Minister for Housing and Construction. They had clearly been alarmed at suggestions that a fifth of the extra £400m would find its way into civil engineering projects and were anxious to re-

mind the Government of their sector's current plight. Mr. Shore was told that the extra public expenditure for next year was welcome and that there was an urgent need for the construction sector's resources to be more fully utilised. The Minister said that output for the industry as a whole was down 17 per cent. from the peak 1973 level and around 300,000 people were out of work as a result of representing the bank would continue with its major role of medium term lending to the main areas which have been the most affected by the recession.

The EEC members suggested that 30 per cent. of civil engineering work was carried out in the U.K. on behalf of public clients and orders from this source had dropped by 14 per cent. between 1973 and 1975. Contracts for bread and butter work had fallen severely.

The "Little Noddy" hopes that, as a result of its representations, at least some of the money will be directed towards projects such as road maintenance, access roads, sewerage and water schemes and urban renewal. Details of the final form of the package should be available next week.

Weyer named as new bank chief

By MICHAEL BLANDEN

THE New chairman of Barclays Merchant Bank is Mr. Deryk Weyer, a top member of the Barclays Bank group management and former senior general manager of the parent bank.

He will succeed Mr. Charles Ball, the corporate finance and take-over bid specialist who recently announced his resignation from the merchant bank. Mr. Ball was brought in last year from Fleet Street to spearhead the expansion of the Barclays merchant banking business. The announcement yesterday suggests a further change of emphasis for Barclays Merchant Bank. Mr. Weyer indicated that the bank would continue with its major role of medium term lending to the main areas which have been the most affected by the recession.

As president of the bank, Mr. Weyer will be extending its activities to longer term loans. He will also be responsible for the bank's medium term lending for up to 18 years, but was considering longer periods of up to 15 years on a selective basis. He also emphasised that the merchant bank would continue to have a strong corporate advisory role, though it might not be as highly publicised as its takeover and bid advisory activities which had been prominent under Mr. Ball.

The merchant bank is also looking for a new managing director. With Mr. Weyer's appointment, the roles of chairman and chief executive are being separated, and the new managing director might be appointed either from outside or from within the bank. Mr. Weyer will take over when Mr. Ball's resignation takes effect on November 30.

Managers' conditions 'cut industry's capability'

By LYNTON MCLAIN, INDUSTRIAL STAFF

HIGH TAXATION and poor pay for managers in industry has affected Britain's capability in innovation, said Lord Schon, chairman of the National Research Development Corporation, in a statement yesterday on the corporation's annual report.

The report shows that the corporation is getting better at raising expenditure in research and development, new projects, patents and administration with income from licences and levies from joint venture projects. The corporation, said Lord Schon, did not intend to "lower its standards" in the search for more partnerships and inventions. Only 1,500 of the 25,000 proposals since the corporation started were followed up. Only about 20 per cent. of proposals accepted met expectations.

During the year ending on March 31, the corporation's expenditure on payments to research and development was £2.8m, compared with £3.3m the previous year, while project expenditure rose from £4.1m to £4.4m. Patent expenditure increased from £32,000 to £37,000.

Hull likely to keep its telephone independence

By JOHN LLOYD

HULL is almost certain to be allowed to keep its independent telephone system, the only part of the country's telecommunications network outside the Post Office monopoly. The present system, which has run for 15 years, comes up for renewal at the end of this year and there were fears in the city that it might not be renewed.

The Post Office Engineering Union has put pressure on the Department of Industry to bring Hull into line with the rest of the country. However, Post Office engineers have tested and examined the Hull equipment and have said that there is no reason why the system should not remain independent. It is also thought that there is no enthusiasm, either within the Post Office or in the Department of Industry, for being seen to be monopolistic and repressive of local enterprise.

CBI 'takeover bid' hit

By OUR INDUSTRIAL EDITOR

HOPES by the Confederation of British Industry to establish itself as a "Confederation of British Business" were criticised yesterday by the Association of British Chambers of Commerce. Mr. Tom Boardman, the association's president, said in Aberdeen that a "take-over bid" by the CBI for the chamber of commerce movement "will not likely to appeal to the vast majority of the 50,000 individual firms which made up the membership of our affiliated chambers."

He welcomed discussions which may take place soon on how the CBI and the association could develop joint working arrangements. However, this is separate from consideration being given by the confederation to change its title to include the word "business" to reflect its membership expanding recently into financial and retail areas.

Generators sets brand new from the manufacturer

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BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED

INTERIM REPORT FOR THE HALF YEAR TO 30th SEPTEMBER 1977

At a meeting of the Board of British-Borneo Petroleum Syndicate Limited held today it was resolved to declare an interim dividend No. 89 of 2.25p (1976/77 2.042p) per 10p unit of stock. In the hands of a United Kingdom stockholder this interim dividend is equivalent, with the applicable tax credit, to 3.45p (1976/77 3.141p). In addition, as a result of the reduction in tax credit applicable to the final dividend for the year to 31st March 1977, it was resolved to pay an additional dividend for that year of 0.062p per 10p unit of stock, equivalent, with the applicable tax credit, to 0.09983p, at a cost of £2,780.

Both these dividends, totalling 2.342p per 10p unit of stock, will be paid on 16th December 1977 to stockholders registered at the close of business on 28th November 1977. The Transfer Books and Register of Members will be closed from 26th November to 2nd December 1977, both days inclusive.

The unaudited results for the half year to 30th September 1977 are as follows:

Table with 3 columns: Item, Half year to 30th September 1977, Year to 31st March 1977. Rows include Dividends and Interest, Profit on realisation of investments, Administration Expenses, etc.

\* adjusted for additional dividend. Net assets of the Company and its Subsidiary at 31st March and 30th September 1977 were as follows:

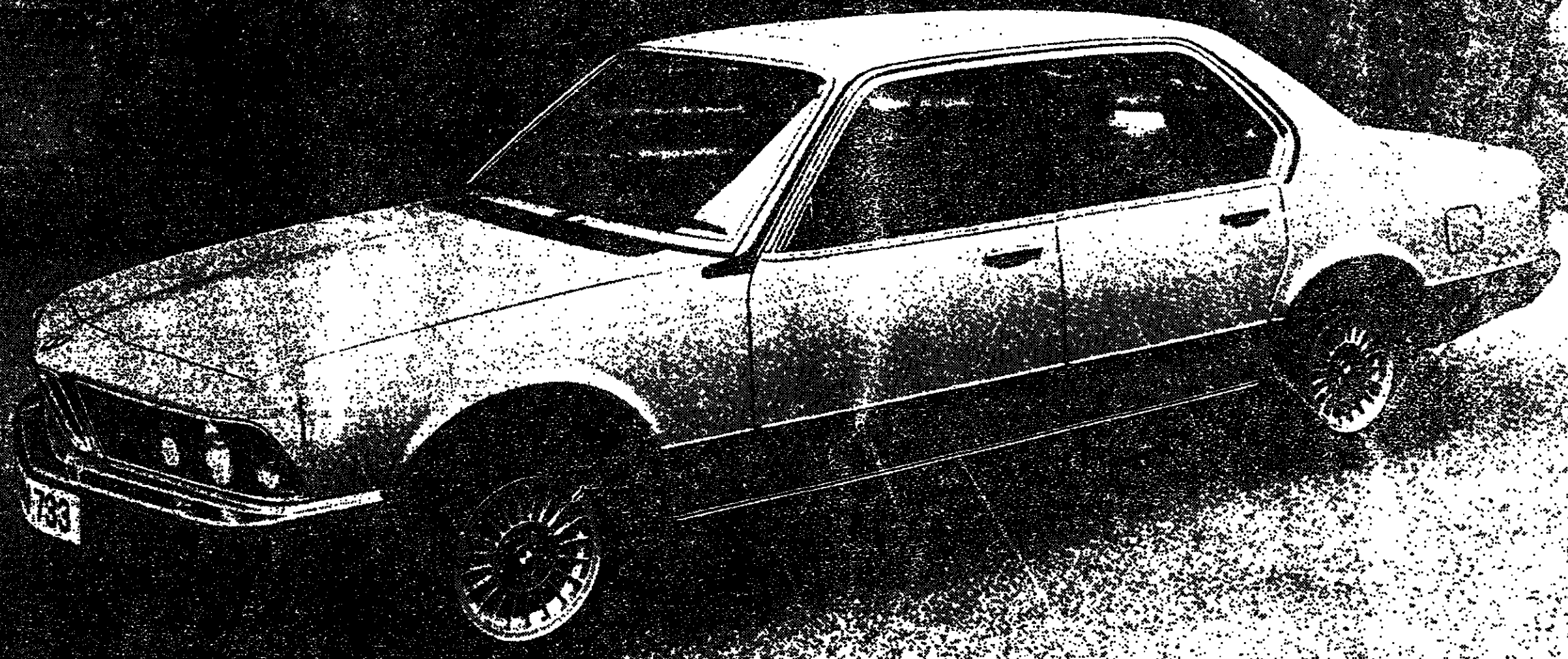
Table with 3 columns: Item, 30th September 1977, 31st March 1977. Rows include Investments at book value, Net Current Assets, Less: Eurocurrency Loans, Stock Exchange Value of Quoted Investments.

By Order of the Board RUSSELL LIMBBERG Secretaries. 2 Broad Street Place, London EC2M 7EP. 3rd November 1977

مكتبات الأصيل



# One doesn't have to be successful to have style.



## But it helps.

The world of fine luxury cars has produced many brilliant examples. At BMW we felt it would be unnecessary and prohibitively expensive to create a car with even more luxury than the best available at the moment.

The concept design basis of the BMW 7 Series was not, therefore, to produce simply another exceptionally comfortable car, but one with a dynamic and refined performance.

**Luxury**  
The first impression one has when looking at one of the 7 Series is a car of exceptional yet quiet beauty, of disciplined power and of engineering and coachwork of the very highest quality.

Sit in the car and one immediately has the feeling of absolute comfort and excessive spaciousness especially in the back. The seats are anatomically designed for both comfort and support. The driver's adjusts for reach, angle and height.

Heating and ventilation is very sophisticated and can be finely set. Pneumatically controlled, warm and cold air are pre-mixed and delivered in three controllable zones—face, body and feet. Air directed at the face is about 8% cooler than air to the feet, so the ideal of 'cool head warm feet' is achieved. In the 730 and 733i the rear passengers have their own independent heating and ventilation which they control themselves. Ventilation is also channelled into the front side windows for immediate demisting.

Quietness is now quite outstanding. Wind noise has been drastically cut by aerodynamic design and closer bodywork fit, and engine noise is even lower due to new sound damping.

In the areas where luxury cars excel—design, quality, comfort and quietness—the 7 Series has found new and better technological answers.

### Performance

Most luxury cars are heavy and, whilst being fairly fast in a straight line, have neither good handling nor agility. They are passive rather than dynamic cars. This is not the case with the 7 Series.

The chassis combines two apparently contradictory extremes—luxurious ride with exceptional handling. The new front suspension allows softer ride whilst giving better stability with less 'dive' and 'roll'. At the rear the race proven semi-trailing arm is used. All wheels independently and correctly align themselves for the best possible ride and hold on the road regardless of the surface or camber.

Once in the car one realises that the cockpit is totally driver orientated. Seat and steering can be adjusted to any driver for maximum comfort and ease of control. Considerable research has gone into the layout and has resulted in a 'wrap around' console. All dials are equi-distant from the driver's eye, all controls come immediately to hand.

As soon as one drives the car one understands the advantages of the BMW philosophy of making the driver the essential element of car design. Stress and difficult situations are reduced and the pleasure of being able to drive both courteously and as one pleases is very rewarding.

### Safety

The core of the 7 Series 'passive safety' is the passenger compartment. This rigid cell with its integrated roll over bar, longitudinal and vertical supports remain intact on impact when the front or rear safety zones absorb energy. Inside the car, padded upholstery has been developed into a complete protective system. It operates at three different levels—face, shoulder and below window level with different forms of padding to give maximum protection.

In 'active safety' terms the driver is the essential element. So everything is designed, researched and developed to make his task simpler and more efficient.

The 7 Series incorporates many highly advanced technological improvements to help prevent the worst happening. The most important being the new 'double pivot' front suspension. This gives exceptional directional stability—should one wheel hit slush, or a tyre burst, the car will remain on line.

This stability allows a new dual braking system—if there is a failure the car brakes on one front wheel and the opposite rear wheel which, with the new front suspension, eliminates slewing.

### Driving Pleasure

The 7 Series combines performance and comfort in a way that no other cars have done before. A passenger has all the luxury, the smoothness of ride and the quietness to make any journey a pleasure. The driver has the effortless power and performance which encourages a new spirit of driving.

This, then, is the new BMW 7 Series range. Cars in the very highest luxury class with sophisticated, refined and powerful performance. A unique and exceptional choice amongst the world's greatest cars.

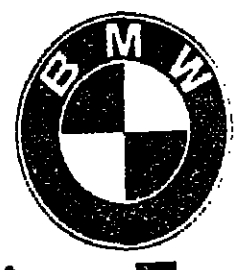
### Performance glossary (Manual figures only; Source BMW)

- 728: 2.8 litres, 170 bhp, 0-60 in 10 secs, max 120 mph
- 730: 3.0 litres, 184 bhp, 0-60 in 9.4 secs, max 125 mph
- 733i: 3.3 litres, 197 bhp, 0-60 in 8.9 secs, max 128 mph

Prices: 728: £8,950. 730: £10,540. 733i: £11,550.

All prices correct at time of going to press.

Leasing: In today's financial conditions, leasing a BMW can create substantial advantages. Your BMW dealer will be happy to put you in touch with expert advisors on leasing who can describe the schemes in detail.



## The new BMW 7 Series. For the joy of motoring.

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HOME NEWS

Lack of plans for spending oil revenues 'deplorable'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE JOINT paper on the use to which oil revenues should be put will be presented to the National Economic Development Committee meeting next month by its authors, Mr. Denis Healey, the Chancellor, and Mr. Anthony Wedgwood Benn, Energy Secretary.

Sir Ronald said his own view was that the first use for the money should be to ensure incentives through all levels of the economy by continuing the reduction in direct taxation which was started in the mini-Budget last week.



Sir Ronald McIntosh 'Restore incentives.'

America, were gaining a competitive advantage in iron and steel, vehicles, electronic components, standard chemicals, shipbuilding, electrical goods and process plant as well as their present range such as textiles and rubber goods.

Trading stamp discount scheme

GREEN SHIELD is believed to be considering a promotion which would allow stamp savers to get a cash discount at stores giving Green Shield stamps.

Tesco tops branded products league

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

A CONSUMERS Association report shows that Tesco has become one of the cheapest supermarkets in the country at which to buy branded grocery products.

Strike-hit airports return to normal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRPORTS THROUGHOUT the U.K. were quickly getting back to normal yesterday, following the return to work of the air traffic control assistants who have been on strike for more than two months.

LABOUR NEWS

Two print unions stay out in NUJ dispute

By Alan Pike, Labour Correspondent

TWO PRINT unions will continue to support the National Union of Journalists' broad-based dispute at North of England Newspapers, Darlington, although the journalists have rejected an interim peace formula.

BBC faces long blackout conflict with technicians

BY NICK GARNETT, LABOUR STAFF

THE PROSPECT of a long spell of programme "black outs" on BBC television and radio faces viewers and listeners with the start of lightning strikes by some of the Corporation's technical staff.

The main targets will be outside broadcasts and magazine programmes by networked BBC and all BBC regions could expect programme disruption.

Deadlock remains over firemen's pay

BY PAULINE CLARK, LABOUR STAFF

FIREMEN and local authority employers seemed as deeply entrenched as ever in their positions on pay yesterday after a further joint talks in London failed to find a compromise on the firemen's 30 per cent. pay claim.

Du Pont document angers ASTMS

BY NICK GARNETT, LABOUR STAFF

THE DU PONT chemical works in Northern Ireland has drawn up a document for line management which contains a 30 per cent. membership of the Association of Technical and Managerial Staffs (ASTMS).

Sugar workers offered 19% rise in earnings

BY OUR LABOUR STAFF

UNION LEADERS and the management of the British Sugar Corporation have reached agreement in principle on a wage increase of 19 per cent. for the 5,500 workers of the industry.

Code on union duties

BY OUR LABOUR CORRESPONDENT

EMPLOYERS and unions are urged to review arrangements with pay to carry out duties related to industrial relations.

Transport union now 2m. strong

BY OUR LABOUR CORRESPONDENT

THE TRANSPORT and General Workers Union—Britain's largest union—has passed the 2m. member milestone with membership now 2,008,662.

Columnist 'retained independence'

EDITOR'S RELATIONSHIP WITH TETHER BROKE DOWN

MR. FREDY FISHER, editor of the newspaper, he would consult the writer concerned. He would try to establish a formulation sufficiently well-argued to appear in the newspaper.

Mercedes launches new vans

BY STUART ALEXANDER

MERCEDES TO-DAY introduces into the U.K. the first of its new range of vans in the 1-ton to 3.5-cwt. payload class.

Nuffield boost for research

THE TRUSTEES of the Nuffield Foundation have decided to spend more of the foundation's income on research that normally would be supported by the Government-aided research councils.

Income growth

The report explains that income for 1976, at £1.76m., was nearly 25 per cent. more than in the previous year.

Foden models introduced

FODEN LAUNCHED two new models yesterday in a bid to re-establish itself in some of its former overseas markets.

Test bores for nuclear dump

GEOLOGISTS will begin a preliminary survey next week at Mulwheare Hill, Ayrshire, in an area earmarked as a possible site for a nuclear waste dump.

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Production at the factory at Sandbach, Cheshire is to be increased from 50 vehicles a week to a maximum of 60.

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PARLIAMENT and POLITICS

QUEEN'S SPEECH DEBATE

Strikes must not deter us—PM

BY IVOR OWEN, PARLIAMENTARY STAFF

STRIKES AND the temporary dislocation of parts of industry must not be allowed to prevent...

Appealing for public support for the policy of wage moderation, and emphasising that increases in the cost of living...

Claiming that inflation was being conquered, the Prime Minister said the question was whether it would be possible to consolidate the substantial improvement already made...

No early Bill on worker directors

By John Elliott, Industrial Editor

OMISSION of any reference in the Queen's Speech to legislation on industrial democracy in the wake of the Bullock Report...

The Treasury, as a result of the Lib-Lab pact, is in the meantime working on a project with the Inland Revenue to encourage employee profit-sharing...

Two-sector plans

The present intention is that for the private sector these proposals would be included in the next Labour Party General Election manifesto...

Prime Minister, no one should be left in any doubt about what the Government was trying to do. "We are not fighting against anyone. We are not trying to teach anybody a lesson—no trade union."

Urging trade unions and employers to keep wage settlements within the guideline, Mr. Callaghan stated: "I accept that this may bring difficulties for some groups. Maybe, we will have friction and maybe there will be withdrawal of labour."

Callaghan points to need for PR Euro-voting

IF PARLIAMENT insists on retaining the traditional first-past-the-post system of voting, direct elections to the European Assembly will not be held until 1978.

Mr. Callaghan cheerfully admitted that the Bill was likely to cause some difficulties inside the political parties, and recalled...

Some, indeed, was already going on. Promising that the Government would seek to minimise the effect, Mr. Callaghan declared: "As long as we have the support of the House of Commons and public opinion we will continue to fight the battle for lower prices and lower unemployment."

Earlier, Mr. Callaghan suggested that the Government was already enjoying a level of support in the country which transcended its minority status in the House of Commons.

But the Government had taken the view that Britain was bound by the Treaty of Accession and undertakings given since to proceed with the Bill. The Prime Minister re-affirmed that Labour MPs would have a free vote on the method of voting in the European elections.

Premier appeals to public

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN led the Government into the new session yesterday with warnings of a winter of discontent but in obvious anticipation of a glorious summer.

The Prime Minister spoke sternly if not specifically to the miners. It would not be right if any group secured advantages through their strength that others were prepared to forgo, he declared.

On the economic front, Mrs. Thatcher predicted that the Government would throw away the opportunities presented by North Sea oil and would use it as a rescue operation to overcome its short-term difficulties.

Dealing with the direct elections Bill, she pointed to a significant choice of words in the Queen's Speech, in the passage on constitutional matters. The Government remained firmly committed to establishing elected assemblies for Scotland and Wales and that separate Bills would be introduced for this purpose.

may be difficulties, there may be friction, there may be withdrawal of labour," Mr. Callaghan said. "The British people may be asked to accept some dislocation and inconvenience." But the Government was determined, "We must win this battle for Britain."

The country's destiny was in its own hands. "It is for us to make of it what we will." The passage marked a significant departure from what was otherwise seen as a period of preparation for a General Election.

Reading the Queen's Speech, she had a definite feeling that "we had been here before" and "we were going round the same course again."

enough for another session in 1978, he added to unbelieving laughter. The Government was still in a minority in the Commons, he recognised, paying generous tribute to the support of the Liberals. "But whether it is still in a minority in the Commons is another matter," he said.

Mr. Callaghan, viewing the prospects with increasing relaxation, almost relapsed into self-parody. "This speech is so old it could have been written for the book of Exodus," he chortled.

She thought the Chancellor had done a disservice and had left himself open to having repeated changes of income tax during the year. Mrs. Thatcher welcomed the Chancellor's decision to allow the sterling exchange rate to rise but pointed out that under the Tories, the pound had been worth \$2.30 and under Labour, it was now \$1.54.

Thatcher suspects lack of will to meet EEC elections target

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

SERIOUS DOUBTS about the strength of the Government's commitment to the Bill for direct elections to the European Parliament were voiced by Mrs. Margaret Thatcher, leader of the Opposition, giving the Tories' reply on the Queen's Speech.

On the economic front, Mrs. Thatcher predicted that the Government would throw away the opportunities presented by North Sea oil and would use it as a rescue operation to overcome its short-term difficulties.

She also noticed that the Speech only promised further consultation on industrial democracy and gave no undertaking that legislation would be introduced in the current session.

On the industrial relations front, it was ironic that the Royal opening of Parliament in the morning had not been broadcast or televised because of industrial action.

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Full employment and sustained growth are main objectives

The full text of the Queen's Speech was...

My Lords and Members of the House of Commons. My husband and I look back with delight and gratitude on the events which marked my Silver Jubilee at home and overseas, and the visits which we made to many parts of the United Kingdom and the Commonwealth.

In pursuit of peace and collective security, the United Kingdom remains committed to the aims of détente, disarmament and the prevention of the spread of nuclear weapons.

White working for policies which fully reflect the interests of the United Kingdom, my Government will play a full and co-operative part in the activities, the development and the enlargement of the European Economic Community.

lasted peace in the Middle East, and the further improvement of relations between the United Kingdom and all the countries in the area. They will continue to co-operate with all concerned in the search for a lasting settlement in Cyprus, where they welcome the resumption of inter-communal talks.

Members of the House of Commons. Estimates for the public service will be laid before you. My Lords and Members of the House of Commons.

My Government will continue to take part in international efforts to combat recession and promote a more stable world economic order, and a fairer distribution, within an expanding world economy, of the world's wealth between rich and poor countries.

Scotland and Wales. Separate Bills will be introduced for this purpose. In Northern Ireland, my Government will maintain their aims of establishing a devolved Government acceptable to both parts of the community; and eradicate terrorism by the prosecution through the courts of those responsible for violence and by continuing to develop the effectiveness of the Royal Ulster Constabulary, supported by my Armed Forces.

Further consultations will be held on industrial democracy, with a view to producing proposals which should command general support, and my Ministers will continue directly to encourage the development of industrial democracy in the nationalised industries.

My Government will continue to work in close co-operation with the Trades Union Congress and the Confederation of British Industry.

European poll hinges on U.K.

By Reginald Dale, European Editor

THE FIRST direct election of the European Parliament is to be held throughout EEC in May or June next. But they will only take place all nine member countries ready.

France and Britain are in a tight race to win increased powers for the EEC, but most of the members regard them as important new step towards greater European integration.

Mr. Callaghan, viewing the prospects with increasing relaxation, almost relapsed into self-parody. "This speech is so old it could have been written for the book of Exodus," he chortled.

Further complicating the picture, the Government said it will use "flexible endeavours" to hold the elections in May or June. But are considerable doubts at stake that this can be achieved.

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Competitive review in two stages

By Elinor Goodman, Consumer Affairs Correspondent

CONFIRMATION in the Queen's Speech of the Government's commitment to a review of competition policy marks an important step in the process of reforming the law on competition.

Even before the pact with the Liberals, Mr. Roy Hattersley, Prices Secretary, had begun to examine the effectiveness of present legislation governing competition.

My Government will continue to work in close co-operation with the Trades Union Congress and the Confederation of British Industry.

£3,500 limit on shipworkers' severance pay

By Ian Hargreaves, Shipping Correspondent

THE SHIPBUILDING (Redundant Payments) Bill is a measure designed to limit the severance pay of shipworkers to £3,500.

My Government will continue to work in close co-operation with the Trades Union Congress and the Confederation of British Industry.

My Government will continue to work in close co-operation with the Trades Union Congress and the Confederation of British Industry.

Signs of industrial unrest

THE CURRENT state of industrial unrest was forcibly brought home to MPs at the start of the new session of Parliament yesterday.

on the Queen's Speech. Then, as the Commons began its debate, the lights in the Chamber dimmed, due to an electricity cut caused by the unavailability of power workers.

'Computer Weekly' presents COMPEL The exhibition that gets it all together—COMPUTERS, PERIPHERALS, MICROPROCESSORS, SYSTEMS, TERMINALS AND SERVICES. Admission £2 by registration at the door. Open 10 am-6 pm (to 4.30 pm on Nov. 10)

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHIFFERS

## METALWORKING

### Alloy conforms like a plastics sheet

**ESTIMATING**  
**Automated part costing**

MANUFACTURING and continuing checks on the accuracy of his input. Output comes in the form of a breakdown of machining times for each feature of a component and total machining times on each machine tool to make the component. Times are calculated initially as standard or planned times, but other data can be fed in as needed.

Performance of groups of tools is monitored against planned times and an efficiency factor derived for application to the display in the totals for each component.

Cost calculation for the whole investigation is done manually, applying hourly rates. Software developed on the CAD machines in Cambridge and is being applied on the Nova 3 from Data General to which has been added a Tektronix terminal. Operational testing is in full swing and the whole system is expected to be in regular use next month.

Experiments are already planned and an interface has been prepared between the input of the Vickers array and the CAD lathe module which can produce tapes for various types of numerically controlled machine tools.

More from Vickers on 0632 3524.

**HIGH COSTS** of tooling and subsequent manual intervention led Marconi Elliott Avionics to investigate the possibilities of using Supral superplastic aluminium alloy which can be treated something like a thermoplastic polymer, for the manufacture of a complex housing for a new naval compass stabiliser, shown in the illustration.

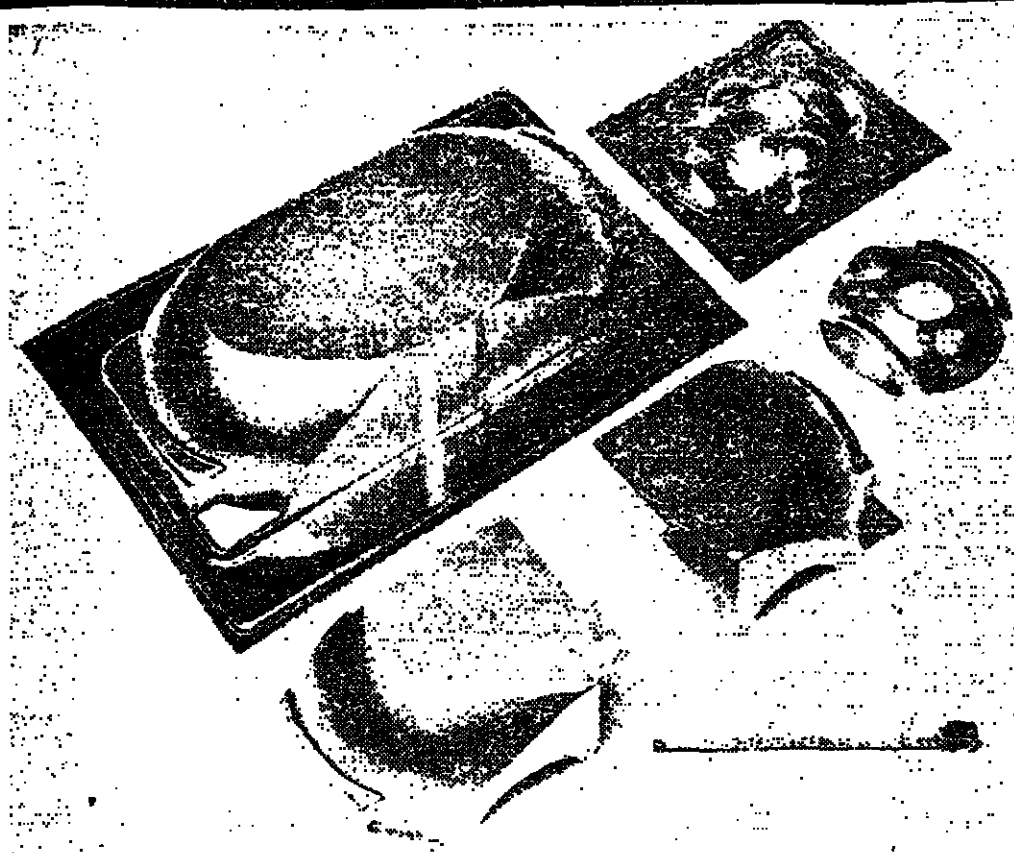
Supral has the ability at elevated temperatures to extend to some ten times its original length by the application of production techniques comparable to those used in vacuum-forming sheet plastics. This means it can be used to make intricate shapes without going to the expense of conventional matched tools.

Some penalty had to be paid, but in this instance it was minimal, involving minor modifications to radii and draft angles.

The housing is produced in five parts, which are simply bolted together. The standard alternative with full-scale conventional tooling would have required the welding together of some 15 components in final assembly.

According to Marconi Elliott, the process using Supral proved far quicker in production times and provided reduced costs with a better product.

More on Supral from Superform (TI Group), PO Box 150, Worcester, Worcester 54932.



## CONFERENCES

### Fresh look at quality procedures

USERS OF BS 9000 (the system of specifications for electronic components of assessed quality) are to have an opportunity to air their views on BS 9000, to those responsible for its management. Recently, a number of questions have been raised about BS 9000, and suggestions made for its improvement.

By standards engineers employed in the electronics industry.

In order to provide a forum for discussion BSI Standards Associates are to hold a symposium on December 8, at the BSI Conference Centre in London.

During the morning session a panel of speakers from the relevant BSI management committee will give a series of short lectures on various aspects of the system. This will be followed by an open discussion when members of the audience will be invited to present questions—submitted in advance.

BS 9000, together with its existing European and—in BSI's view—embryo worldwide counterparts, is of significance to companies engaged in electronic equipment manufacture. The symposium must be of interest to standards engineers and quality managers in organisations manufacturing, using or contemplating the use of electronic components of assessed quality.

More on 01-629 9000.

**SECURITY**  
**Watches the temperature**

**LOW-COST** temperature scanning alarm equipment, designed to be produced by Process Systems of Little Sussex, is to be liquid crystal display.

One characteristic believed by the designer to be "normal" is an inner more compact and less than half the price of comparable light thermocouple inputs, each with high and low alarm settings, able to use sequentially one high and low trip amplifier. Each channel has an illuminated alarm annunciator with flashing when the alarm state de-energises a relay which can be used for the operation of a remote audible alarm.

The high and low trip levels, adjustable at the front panel, are normally concealed by a screw-locked cap which is provided if required. The scanning rate is manually adjustable from 0.25 seconds to 25 seconds. The temperature of each point scanned is shown on a three digit display.

The alarm circuit is automatically restored when the cause is removed. An extra high alarm setting is provided to override the "Accept" circuit.

More on 0604 4450.

**SCARFING**  
**loss cut**

**WHEN MOLTEN** steel is poured into an ingot mould it splashes as it hits the bottom plate, causing a number of problems. These include bottom plate wear, sticking between the ingot and the mould, and a poor quality ingot surface.

Steelmakers have been experimenting for years with various methods of preventing splashing. Now a French company (Outoxob SA) has developed a simple solution—a pad consisting of a cardboard honeycomb, which is placed in the bottom of the mould.

The vanes of the cardboard honeycomb are more closely spaced at the centre than at the periphery. The pad, which can be up to 3 inches thick, is believed to last for about six seconds after the molten steel hits it, which is sufficient to prevent splashing.

It is claimed that in addition to improving the ingot surface, cutting scarfing costs, mould bottom plate life is increased and better mould stripping characteristics achieved. There is no change in the metallurgical characteristics of the steel.

At a European steelworks, which has been using the pads for a year, a saving of about £3 in scarfing costs per 8 ton ingot has been achieved.

The pads are available in concave or convex form for various applications, and a version has been developed to support the flux during bottom pouring. The molten steel is then beneath the pad, and flux melting is improved.

An exclusive licence for the manufacture and marketing of Korpad has been granted to Fosco Steelmills International through Agence Nationale de Valorisation de Recherche.

Details from Fosco, 235 Long Acre, Nechells, Birmingham B5 5JR (021-327 1911).

## HAND TOOLS

## POLLUTION

### Air-powered Hustles the mussels

### screw driver

**PNEUMATICALLY** operated pistol grip screwdrivers, with single trigger control, have been introduced by the Aro Corporation (U.K.).

Speed of the driving head is controlled by trigger pressure—the greater the pressure, the faster the speed. The trigger is also used to select forward or reverse drive, instead of the usual separate control. The maker says this control simplifies starting a screw without a lead hole, producing exact setting, and correcting misalignment.

Models are available with direct drive, or a variety of clutches.

Details from the company at East Moon's Most Industrial Estate, Alder Drive, Redditch, Worcs, B98 9RH (0527 28722).

### Mussels

**A METHOD** of cutting from 8-12 detach themselves from the inlets, seawater heated to 105 deg. F instead of recirculated water heated only by the station's condensers.

The older method has been used in California since 1948 and is applied every six weeks. In the U.K. fouling is dealt with, at present, by adding minute quantities of chlorine to the water.

More from Lockheed Aircraft Service Company, Ontario, California, U.S.

**COMPONENTS**  
**Old problem resolved**

**WATERPROOF** transmitters developed by the S. G. Brown communications section of Kralco have helped to solve a long-standing problem in the design of headsets, microphones and handsets for the forces, for diving engineers and marine workers.

According to the company, users have hitherto been faced with the choice of selecting waterproof transmitters which are not transportable because reduced atmospheric pressure at high altitude could cause diaphragm distortion—or using for models incorporating air equalisation ports that cannot be waterproofed.

Development engineers at S. G. Brown have solved this dilemma. They have designed transmitters which are provided with the ventilation ports they require, but the port, which will allow the passage of air, will bar moisture.

This has been incorporated in a rocking armature/receiver inset which is compatible with a previous design from the company and is expected to make the company's equipment more acceptable still on international markets.

More from S. G. Brown, King George's Avenue, Watford, Herts.

**HANDLING**  
**Loading an awkward carrier**

**GENERAL PURPOSE** mobile elevating conveyor equipment available on lease for about £10 per week should pay for itself many times over as it operates.

It is suitable for loading and unloading vans in both cases limiting the walking and carrying that is normally required, but also for moving material between floors, or as temporary live link between two machines in a production process, particularly in batch production work.

The unit consists of a 16 1/2 foot long, driven conveyor with a further 8 1/2 foot gravity roller section which is particularly useful for accumulating loads. It will reach up to 14 foot into a vehicle or can be used between floors with a height difference of 9 1/2 foot.

The electric motor drives through a reduction gearbox and precision roller chain system to the head drum. A grip-faced rubber belt is used to maximise the angle at which any particular load can be transported. A reversible starter and an emergency stop button are fitted.

Further details from St. David's House, Pentrych Road, Taffs Well, Cardiff CF4 8XF, 0222 810741.

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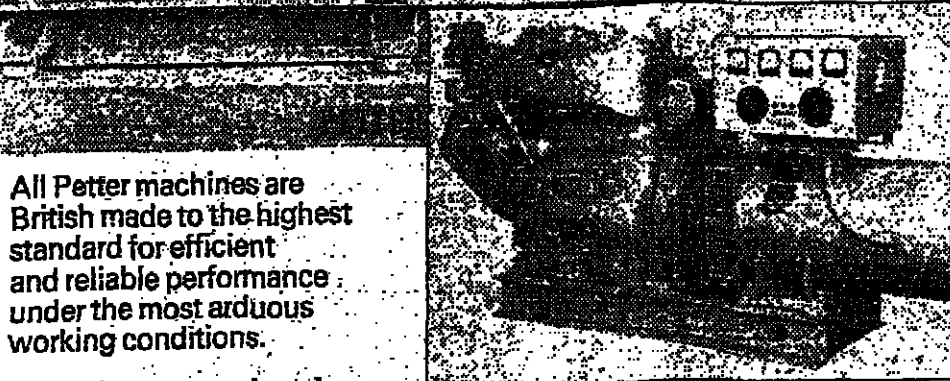
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# The Property Market

BY JOHN BRENNAN

## Grasshopper limps to market

Grasshopper Property Unit Trust is now unlikely to continue in business.

Grasshopper's trustee, Barclays Bank, is understood to have recently considered one eventually abortive institutional consortium's offer for the Trust's £14m. portfolio. And the Bank yesterday confirmed that it would be writing to unitholders in a few days about the Trust's future.

The Trust's properties have been discreetly offered around the property market. And Barclays is believed to have had talks with property unit trusts and institutions willing to take on the whole of Grasshopper's portfolio.

Unitholders, locked into the Trust since last November's 12-month moratorium on unit sales, are now likely to be asked to remain patient for a while longer. In February, when Barclays took over Grasshopper's liabilities for the financially disastrous Tour Astro office scheme in Brussels, the bank also took £8m. from the Trust in part compensation for the liability. When Tour Astro was sold for just over £20m. to Societe Nationale de Credit & Industrie last week, the Trust's £3m. contribution cut Barclays' gross loss on the scheme to around £7m.

The February arrangement with Barclays leaves just over £14m. of British properties in

the Trust on a September 1976 valuation. And now that the Trust's unfortunate venture on to the continent has been resolved, there should be no lack of interest in the residual portfolio.

The remaining office, shop and industrial properties are spread throughout the country and include a number of small, but notable Central London offices including Cheyne House, Chesapeake, and two small prestige West End offices, 24 Old Bond Street and 2 and 4 Burlington Gardens.

As one property trust fades, another is launched. As reported exclusively here two weeks ago, Legal and General Assurance has now launched its local authorities property unit trust, and it already has two local superannuation funds on its way. L and G hope to get an annual inflow of between £10m. and £15m. and in a market they see as going "steadily and slowly" upwards again are aiming for at least a £100m. fund. As reported earlier National Westminster Bank are the fund's trustees.

## Rank sales top £71m.

Rank Organisation's £28m. sale of 11 properties to Sun Alliance brings its total property disposals in the past two years to just under £71m. And the group comments that it will continue shedding its investment proper-

ties "if we are made attractive enough offers."

In Rank's last annual accounts, to the end of October, 1976, the group showed a total property investment portfolio valued, between 1971 and 1976, at £207m. At that time just under half of the portfolio was held in this country, with the balance in France, Belgium and Canada. Group borrowings had risen to £321m. at the time of those accounts—110 per cent. of shareholders' funds—providing one good reason for an active property disposals programme.

Sun Alliance's offer, payable in cash on completion of each of the 11 sales, brings in some of Rank's best British properties. All the properties have been developed within the last 15 years, nine are freehold and the remaining two are long leaseholds.

The major buildings are Rank's 200,000 square feet Barclaycard Centre in Northampton, the Parade Shopping Centre, Swindon, Pyrene House in Sunbury, the shop and office Collier House, block in Knightsbridge and a new 30,000 square feet Boots store at Folkestone.

Sun Alliance became involved in negotiations for the properties after its purchase of Rank's prime shopping units at 84/87 Princes Street, Edinburgh, for around £1m. earlier this year. The purchase brings the insurer's property investments to around £57m. since April last year. And the group confirms that the purchase does eat into next year's allocation of funds

for property. Sun Alliance is not now completely out of the market, but its immediate appetite for property has been blunted.

## In Brief...

● Banque Nationale de Paris has decided not to occupy all of its new 54,000 sq ft headquarters building in King William Street, 150 yards from the Bank of England. Dron and Wright, letting agents and development consultants for the scheme, are to ask £17.50 for 18,000 sq ft in the block, which will be completed early next year.

● Property pooled pension funds dramatically underperformed the equity market over the past twelve months. In the latest edition of the Harris Graham and Partners funds survey, the 25 property funds now in this market show a median return of just 14.1 per cent. between October 1, 1976, and the end of September this year. Over the same period capital gains and reinvested gross dividends produced a corresponding return of 76.5 per cent. for the FT All-Share Index.

The dismal relative performance of the property funds stems from the sharp rise in interest rates last winter which halted a previously steady growth in unit prices in 1976. That decline was reversed by December.

● Mr. Laurie Marsh is considering a change of name for International Property Holdings. Now that he has firm commitments for the Frs.126.5m. (£14.2m.) sale of the bulk of IPH's French properties, Mr. Marsh accepts that "International" and "Property" no longer sit comfortably on the letter-head of a cinema, bingo and occasional overseas property dealing group. Mr. Marsh's enthusiasm now centres on the profitable Classic Cinemas chain, the largest of the country's inde-

pendent film exhibitors with 140 screens. U.S. property interests are to continue on an ad hoc basis, and there are no plans to rejoin the property scene in Britain or on the continent. Could IPH be set to revert to its old name, The Laurie Marsh Group?

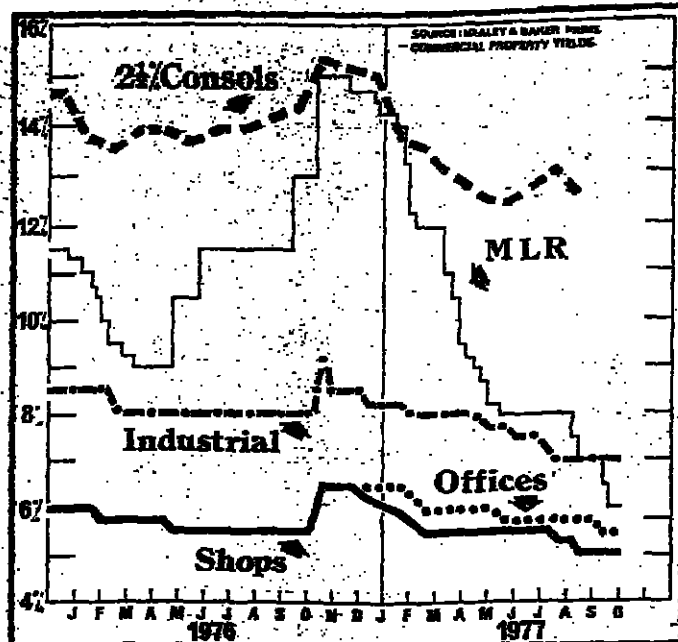
● Germany has yet to shake off the effects of the 1974-75 slump. But even with doubts about the feasibility of achieving next year's projected 4.5 per cent. growth in gross national product, Germany retains its image as the most resilient of Europe's economies.

Confidence in the economy has drawn property buying institutions back into the market. And in its annual review of German property, published this week, Weatherall, Green and Smith report the first signs of a selective revival of development activity.

Weatherall confirms Jones Lang, Wootton's recent report that mortgage finance is now available in Germany at around 7 1/2 per cent. and that between 60 and 70 per cent. of development costs can be raised at that rate for 15 to 20 years.

The agents report that investment funds flowing from Dutch and local institutions have begun to spread beyond Düsseldorf and the Ruhr cities, pressing prime office and shop yields down to 6 1/2 per cent.

In the letting market shops lead the way, with central city rents in the DM100 to DM140 per square metre a month range, rising to over DM200 in Germany's Oxford Streets—the Königsalle in Düsseldorf and Neuhanser Strasse and Kaufinger Strasse in Munich.



Leaping deftly on to the property research bandwagon, Healey and Baker have decided to publish the partnership's internal prime yield tables. The figures have been updated and published on the first day of every month.

firm, and are based on H & B's own agency activity and general market information gleaned by the partners. Now, the figures will be updated and published on the first day of every month.

A graph showing current prime yields of 7 per cent. for offices and 5 1/2 per cent. for shops is unlikely to set the market alight in controversy. But an untentious and regular guide yields is a welcome addition to the information available on the investment market.

H & B's graph may join to be the first of many pieces of published research from the major agencies. The wake of Hillier Park May and Rowden's recent fortunate stab at index property rents, the far-sighted firms have been dusting down their own abandoned efforts at Indexat Most, very sensibly, gave the idea as impractical. Hillier's brave attempt inspired a competitive in their fellow agents polish slide-rules and turn bigger and better research papers for the edification institutional fund managers. There is a good season sight for makers of fit cabinets and wastepaper baskets.

BP purchase. But no sales planned. ● Grand Metropolitan is to move into a new headquarters building at 11/12 Hanover Square, London. The 18,000 square modern block, owned by Ph Industries, did not come the open market. And G Metropolitan's agents, Am Barriman and Co. are used to talk rents. But the spa believed to have achieved a number of offers for the 350 re-exceptional, West End tenements and houses in Knightsbridge at the time of the

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## A FINANCIAL TIMES SURVEY OFFICE RELOCATION

NOVEMBER 14 1977

The Financial Times Survey on Office Relocation will now be published on November 14 1977, not as originally stated, on November 4 1977.

Terry Druce  
Financial Times Bracken House 10 Cannon Street London EC4P 4BY  
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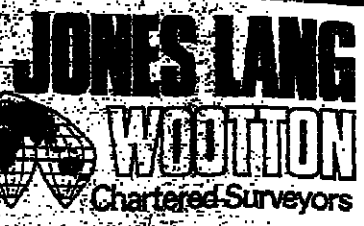
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3467. 3468. 3469. 3470. 3471. 3472. 3473. 3474. 3475. 3476. 3477. 3478. 3479. 3480. 3481. 3482. 3483. 3484. 3485. 3486. 3487. 3488. 3489. 3490. 3491. 3492. 3493. 3494. 3495. 3496. 3497. 3498. 3499. 3500. 3501. 3502. 3503. 3504. 3505. 3506. 3507. 3508. 3509. 3510. 3511. 3512. 3513. 3514. 3515. 3516. 3517. 3518. 3519. 3520. 3521. 3522. 3523. 3524. 3525. 3526. 3527. 3528. 3529. 3530. 3531. 3532. 3533. 3534. 3535. 3536. 3537. 3538. 3539. 3540. 3541. 3542. 3543. 3544. 3545. 3546. 3547. 3548. 3549. 3550. 3551. 3552. 3553. 3554. 3555. 3556. 3557. 3558. 3559. 3560. 3561. 3562. 3563. 3564. 3565. 3566. 3567. 3568. 3569. 3570. 3571. 3572. 3573. 3574. 3575. 3576. 3577. 3578. 3579. 3580. 3581. 3582. 3583. 3584. 3585. 3586. 3587. 3588. 3589. 3590. 3591. 3592. 3593. 3594. 3595. 3596. 3597. 3598. 3599. 3600. 3601. 3602. 3603. 3604. 3605. 3606. 3607. 3608. 3609. 3610. 3611.



# The Management Page

Christopher Lorenz visits one of the first companies to use a new Government counselling service for small businesses

## Goliath's advice for David

ON MONDAY, small the southwest since it began to fill in the north and almost a year ago it can fill a new source of advice in all several important ways in the southwest will be able to call on an independent, professional, and confidential counselling service for small companies. The new service is being offered by the Department of Industry, which has been providing counselling advice for small businesses in the southwest since 1971. The service is being extended to other regions of the southwest, including Cornwall, Devon, Gloucestershire, Herefordshire, Shropshire, Staffordshire, Warwickshire, and West Midlands.

is intended to aid not only companies in difficulties, but also small successful businesses to greater expansion—despite the headline in a provincial paper of "New help for sick companies" when the scheme was launched. Certainly, the progress of Mr. Viner's company has been and remains a success.



Bryn Viner, with a VSI technician at work on vibratory bowl feeders

**Isolated**  
It is far more difficult than outsiders realise for the small entrepreneur to find someone who is not a competitor, a banker or an employee, with whom to discuss future plans, says Roy Felling, who used to run his own successful garage business, and is now a counsellor, and one of the scheme's three coordinators. "I felt isolated throughout my business career, and had no-one to turn to," he says.

**Strategy**  
After deciding to seek advice, Mr. Viner went to the counselling service last March. The standardisation argument Viner receives much more quickly than in the past the VSI information needed to expand VSI's business. So the counselling service has proved of considerable value to VSI, not only just in terms of its cheap rates, but also in provision of specific advice and second opinions at a crucial period in the company's expansion. No one at the DoI pretends the service can take decisions for the businessman; this is not at all what is intended. In the words of Mr. Viner "most of their advice was sound, their technical marketing ability and interest was totally genuine, and I am highly pleased with the introduction of the service."

calibre in the existing team, and the recruitment of a top marketing man would not be necessary. The standardisation argument Viner receives much more quickly than in the past the VSI information needed to expand VSI's business. So the counselling service has proved of considerable value to VSI, not only just in terms of its cheap rates, but also in provision of specific advice and second opinions at a crucial period in the company's expansion. No one at the DoI pretends the service can take decisions for the businessman; this is not at all what is intended. In the words of Mr. Viner "most of their advice was sound, their technical marketing ability and interest was totally genuine, and I am highly pleased with the introduction of the service."

### The service and how it works:

LIKE MANY of the Government's new aids to small business, the idea of a counselling service was sparked off by the 1971 Bolton Report on the problems of small firms. The service was set up by the Department of Industry, which has been providing counselling advice for small businesses in the southwest since 1971. The service is being extended to other regions of the southwest, including Cornwall, Devon, Gloucestershire, Herefordshire, Shropshire, Staffordshire, Warwickshire, and West Midlands.

most of the Regional Director in Bristol was particularly enthusiastic about the project, and because the southwest has a very mixed industrial community, in terms of the size and geographic spread of firms, and their types of business. The unusually large pool of retired executives who might make suitable counsellors was another factor. The service claims to be able to deal with any business problem in the region, except in agriculture where the Ministry of Agriculture has its own service. The No. one involved will say the service is being used by small firms, but almost all the clients

almost all been located away from DoI premises, in public libraries, chambers of commerce and the like. The first counselling session is free, while the subsequent two days, which are normally carried out on the client's premises, cost £5 per day. From then on, up to a total of ten days a year, the rate is £15 a day. Complete confidentiality is assured at all times; no detailed information will reach Whitehall, clients are told. The DoI has gone to great lengths to deny that the service does not compete with the management consultancy, in that the counselling scheme does not

## More slick laws from Parkinson

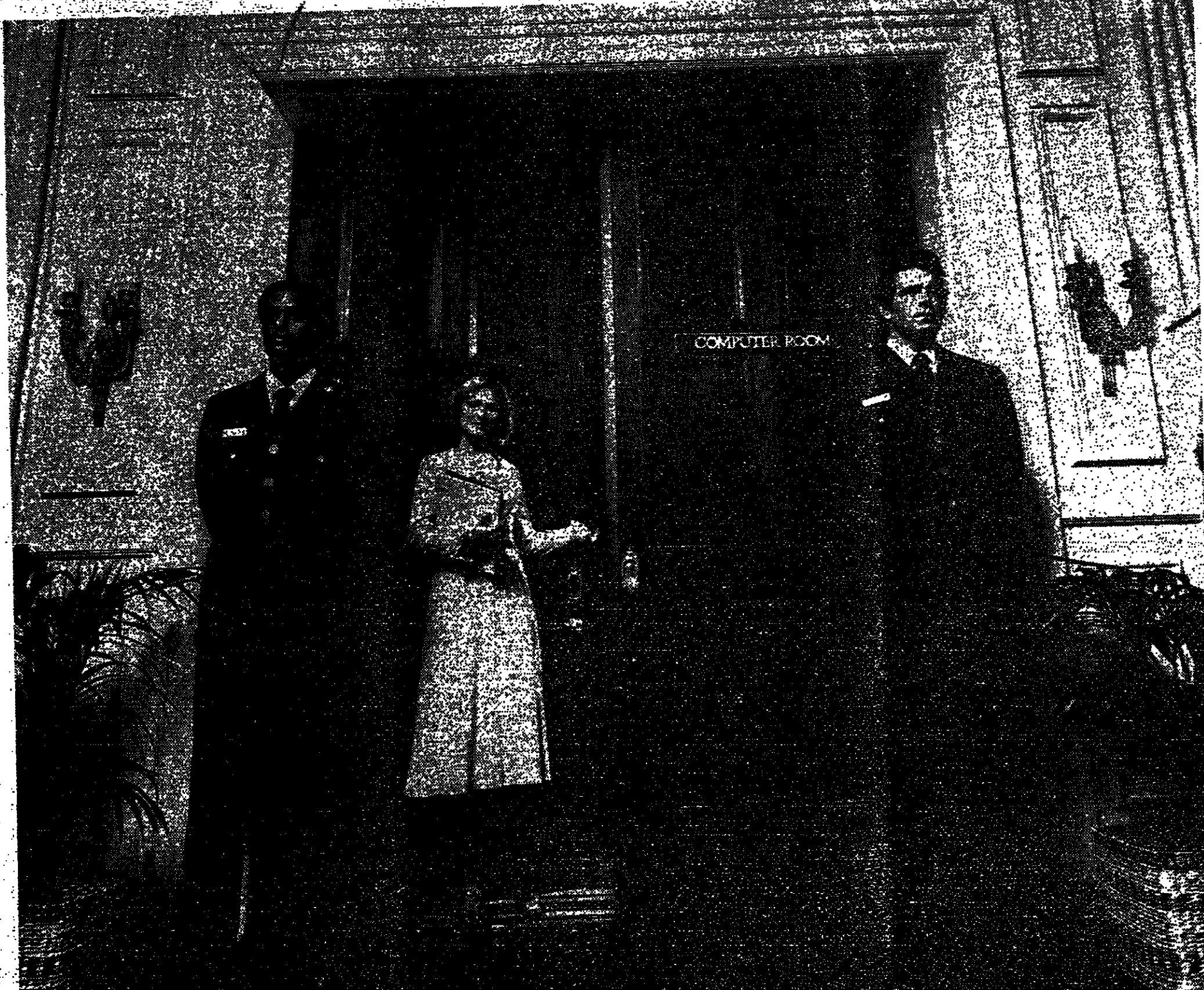
BANKERS FILL acres of newspaper print with anti-nationalisation advertising: shy businessmen make the trek to West End studios to polish up their TV technique: employees are showered with slickly presented company newspapers and "Comic Cuts" annual reports; talking heads pop up on the media claiming to represent all manner of business interest groups, even small firms and the self-employed.

Essentially, their book is strong on hectoring propaganda, but weak on political analysis. Their basic argument as presented in the first chapter is simple enough. People are afraid of the unknown; they do not understand industry; therefore attempts at communication will help to improve the public reputation of business. It is an argument that must at times have an element of truth in it, but it is not the whole story. Effective communication absorbs much top executive time, and cannot be wholly delegated to public relations men, however talented. The first priority must be to run the business, and anyway businesses may not always have an attractive tale to tell. Success and efficiency, on the other hand, will always be recognised. Some chief executives brushed Parkinson and Rowe aside with the view that: "Our product is the only PR we need."

In any case, surely mystery can be glamorous as well as the cause of suspicion and envy. Even Howard Hughes managed to stay rich behind his cloak of secrecy. Perhaps more to the point, have the Moores of Littlewoods or the Djanoglys of Nottingham Manufacturing been notably harmed by their lack of exposure in the media? Only if you argue that their neglect of a public constituency will one day result in their empires being stripped away from them. Jim Slater was a master of communication. The Press and public worshipped him, and he moved easily in political circles.

By Barry Riley

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Friday November 4 1977

# The Government's continuing caution on expenditure

By PETER RIDDELL, Economics Correspondent

## Running up to the election

THE QUEEN'S Speech at yesterday's opening of Parliament contained few surprises and none of them of major importance. This was inevitable. In the first place, a great deal of Parliamentary time will be taken up by three Bills of constitutional significance — two separate Bills providing for devolution in Scotland and Wales and a third providing for direct elections to the European Parliament. In the second place, the subsidiary measures included in the legislative programme have had to some extent, to be tailored to Liberal wishes in order to ensure continuing Liberal support. In the third place, the atmosphere in Westminster will be dominated during the coming session by the possibility of a general election.

Of the three constitutional Bills, it is the one providing for devolution in Scotland which is of most importance to Labour from an electioneering point of view, since without it they might well lose considerable ground to the Nationalists (the same is true in Wales, but is of less practical importance). One can assume, therefore, that the guillotine will be used — the Conservatives, now that the polls no longer show them far ahead of the Government, may be less anxious in any case to defeat it — and that direct elections to the European Parliament will have to take their place in the queue.

**Liberal traces**

So far as opinion inside the Party is concerned, Labour's managers would probably not be greatly upset if this place were too far back to see the Bill through into law before the next election: the Left and the Right have even stronger and more divided opinions on direct elections than they have on membership of the European Community itself, and it is the Liberals who have been pressing for early legislation. But the Liberals have at least got this piece of legislation on to the agenda, and they have got their way — sometimes in practice, sometimes in theory — on a number of other points as well.

**Union factor**

But it is economic events rather than the legislative programme which will determine both the timing of the next general election and its outcome. Here the Government has both advantages and handicaps to reckon with. On the one hand, real incomes are bound to rise over the next few months as the rate of inflation comes down, whatever happens later in 1978, and Mr. Healey has at least a good chance of showing himself as benevolent a Chancellor in April as he did last week. On the other hand, of course, there is a risk — exacerbated by the miners' vote — of a conflict with public sector trade unions over pay restraint. In such a case, the supposed electoral advantage of being the party that can work with the unions could easily backfire. Given the public mood at the moment, in fact, the Government will be pushed by political considerations towards giving "the highest priority" to further reductions in the rate of inflation.

## Setting up the framework

EVEN THOUGH it is only four years since the last major overhaul of competition policy reached the statute book, the present system has already been shown to be deficient in several important respects and for this and other reasons there is probably a case for having another careful look at all aspects of competition policy. One problem, for example, lies in the area of restrictive trading agreements. A surprisingly large number of unregistered restrictive agreements have recently come to light — some 20 years after such agreements were first called up for judicial scrutiny: yet the director general of fair trading has limited investigatory powers when the existence of these agreements is suspected. As he has recently said himself, he almost needs to know enough about the operation of one of these agreements not to require his investigatory powers before he can legally invoke them.

**Refreshing change**

Another, albeit more contentious area, is merger control. Even the Prime Minister has recently expressed concern about the extent of concentration of ownership in British industry. It is true that many studies of concentration are based upon analyses of shares of output held by a few leading firms in each sector and thus ignore the effect of import penetration, especially since EEC entry, upon real market power. But there has also been growing evidence about the relative lack of success of a large number of the mergers which have taken place during the last decade. There may well therefore be a case for re-considering the present approach to merger control, including, for instance, the idea of putting the onus upon the proponents of a proposed merger to explain the benefits.

The two-stage review of first the objectives and, then, the legislation and institutions of competition upon which the Government is now embarking is thus to be welcomed. Together with the efforts which Ministers are now making to create a more favourable climate for small firms, it marks a refreshing change in the

THE GOVERNMENT is now completing its plans for public spending over the next five years — and for almost the first time since the last election Ministers have the opportunity to make a choice free of immediate financial and market pressures. Indeed the current expenditure review is also at the heart of the debate about the use of North Sea oil revenues, and about the priority which the Labour Party still places on public spending as opposed to a reduction in the personal tax burden. The outcome will also show how far the series of expenditure cuts announced in 1976 represented a fundamental cutback in the relative size of the public sector in the economy or were merely a temporary and enforced adjustment before growth resumes.

The starting point is the rather unusual one for Britain where expenditure is running well below planned levels for the second year running. According to Mr. Terry Ward, a Cambridge economist and specialist adviser to the Commons Expenditure Committee, public spending in 1976-77 turned out to be £3.4bn., or roughly 5 per cent, less than initially forecast in the February 1976 White Paper.

This is partly the result of the introduction of the cash limits system of controls which specifies a ceiling on money outlays after taking into account projected price rises in the period. In the last financial year, the general rate of price inflation was higher than forecast when the limits were set. Therefore spending departments were forced to reduce the volume of their expenditure to keep within the cash budgets.

However, not only was the volume of spending lower than planned but there was also a spare margin of more than £1bn. within the cash limit ceilings. This was probably partly the result of an inevitable caution by spending departments during the first year of a new type of controls when the detailed profile of expenditure during the period was not clear.

This over-caution may have been a considerable factor last year, but is likely to be less important now as familiarity with the system grows, and will probably be even less of an influence in 1978-79.

It can be argued that under-spending on last year's scale was no bad thing given the previous growth in the public sector and that the very success of the last year should be recognised. While a tendency towards some degree of under-shooting is not necessarily unhealthy in view of the bias of the system towards extra spending on new programmes, it has dampened economic activity generally and prevented resources being used in the



Mr. Joel Barnett, Chief Secretary to the Treasury.

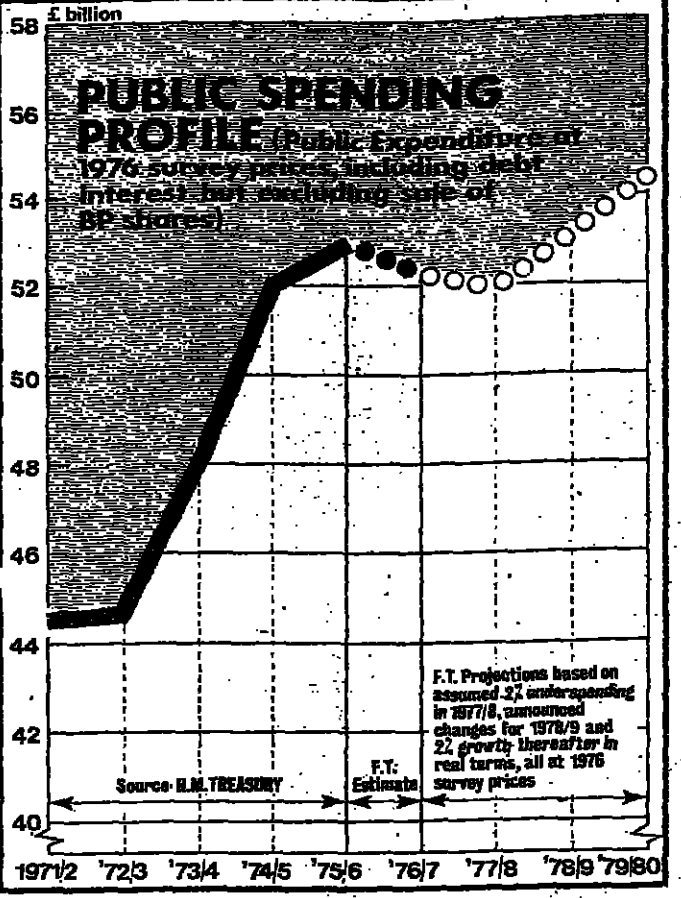
private sector. In part, the Budget shows that spending on goods and services in this period was about 3 per cent less than forecast earlier and is expected to be around 2 per cent lower in the current half year.

The Government has brought in a new and extensive system of monitoring of central Government spending so as to give earlier warning of what is happening. The original aim was to combat over-spending but the monitoring has shown that expenditure is again likely to turn out less than planned in the current financial year, though by a smaller margin than in 1976-77.

### Monitoring system

The knowledge at an earlier stage than before that spending is likely to be more or less than planned does not solve all the problems for the Treasury. Departments which actually manage the spending programmes may believe that the potential undershooting will be smaller than indicated because of catching up later in the year. But the new monitoring system does provide the basis, which can still be developed extensively, for improving the general standards of planning and managing expenditure.

The present position, according to the Treasury forecasts published last week, is that expenditure on goods and services may have run rather below planned levels in the first half of 1977, particularly for fixed investment. A comparison of the latest projections with those



made at the time of the March Budget shows that spending on goods and services in this period was about 3 per cent less than forecast earlier and is expected to be around 2 per cent lower in the current half year.

The slippage is likely to be greater for capital programmes, especially at the local authority level. This appears to be partly the result of the change from Labour to Conservative control in many councils. Mr. Reg Fresson, the Housing Minister, recently complained that this was one reason why public sector housebuilding approvals this year were likely to be about a sixth lower than intended. Planning delays may also be affecting some construction projects. The sharp fall in interest rates has also had a major impact on the large debt interest estimates, though current expenditure generally is near to planned levels.

All this may be seen both as a once-and-for-all act of belt-tightening produced by a particularly tough drive to improve controls and as a response to a more general change in political and popular attitudes towards public spending. In both cases, there is obviously the possibility that a widespread feeling that the economy is on the mend could lead not only to a loosening of the controls designed to keep spending within planned totals but also to a willingness to increase these totals, as has happened before.

Indeed cash limits and the improved monitoring system are about to face their major test because a freer system of pay bargaining makes it more difficult to estimate with any certainty the future rate of price inflation which is to be taken account of in the ceilings. However, estimates for the later years in 1977-78 as any rise in public sector pay above the projected level would have a fairly small effect during the rest of the current financial year. The position could be much more difficult next year with the possibility of a conflict between cash limits — in effect the Government's own pay guidelines — and high wage claims.

The Treasury's commitment to maintaining controls is which will be partly offset by an expected cut in spending on export and shipbuilding credit refinance after talks between the Government and the banks.

This is linked with a switch in the Treasury's thinking on forward planning away from the view which prevailed during last year's series of spending reviews. That concentrated on the financial year immediately ahead and not nearly so much on the later years. The emphasis on the short-term was perhaps

are about to face their major test because a freer system of pay bargaining makes it more difficult to estimate with any certainty the future rate of price inflation which is to be taken account of in the ceilings. However, estimates for the later years in 1977-78 as any rise in public sector pay above the projected level would have a fairly small effect during the rest of the current financial year. The position could be much more difficult next year with the possibility of a conflict between cash limits — in effect the Government's own pay guidelines — and high wage claims.

Consequently when price changes have been taken into account, the public expenditure increases are likely to be equivalent to little more than half the cuts for 1978-79 announced last December. But debt interest is likely to be lower than envisaged then. The increases are principally the rise in child benefits from next April and additional spending on the construction industry. There is a general recognition that last year's cuts fell disproportionately on capital choices were limited by market pressures.

Additional spending

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Used to it

A colleague, arriving exactly one week too early for a committee meeting regularly held at The Eccentric Club, St. James's, had his mistake politely pointed out to him by the hall porter, who concluded thoughtfully: "Would you care to wait, sir?"

## MEN AND MATTERS

**Return to the origins**

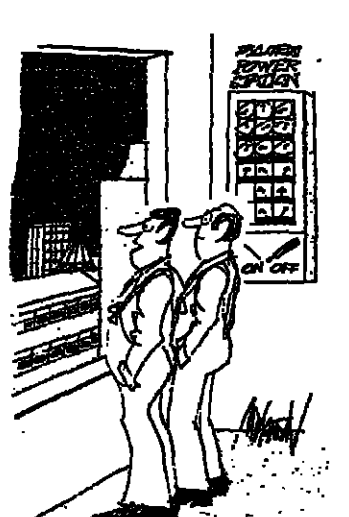
Back in the old days, when making motor cars was a profitable activity run from the Midlands, all the motor manufacturers maintained a rather low key London presence: some showrooms and a small office where the chairman could entertain on his trips to the capital.

Lord Nuffield maintained his London office — in what is now Nuffield House in Piccadilly, above the former Morris showrooms. Since the merger which created British Leyland in 1968, however, the Nuffield House offices have functioned largely as a sort of limbo. There the various losers from the mergers, reshuffles and reorganisations which have chequered the history of the last nine years were ensconced in dignified, but impotent, state.

The last occupant was Honorary President Lord Stokes who has just departed, taking the office furniture with him. But its new occupant is no less than Michael Edwardes who has refused to occupy the top executive office in Leyland House, Marylebone Road, symbol of the former centralised Leyland.

Edwardes is down on record as a decentraliser, a point he underlined yesterday in a letter to employees. The decision to stay away from the 200 PR, treasury, legal and other central staff plus the 300 members of Leyland International gathered together at Leyland House is seen as a symbol of this "more power to the men who run the factories" approach.

Decentralisation has in fact been the vague word at Leyland since the Ryder report; this shifted the headquarters of Leyland cars to Coventry, trucks



"If there were EEC solidarity we would have the lamps going out all over Europe!"

collecting effort in a week which traditionally provides the bulk of their annual revenue. Last year the Legion, whose factory in Richmond employs 150 disabled servicemen making 38m. poppies and wreaths, raised over £3m. but competition from other charities is ever fiercer at a time when inflation is biting so deeply into people's earnings and raising the Legion's costs. Inflation has already forced it to postpone a £50,000 extension to one of its convalescent homes and shelved plans for a £150,000 rehabilitation centre at the Legion Village near Maidstone.

**Pop Poppy**

A funny thing happened to me at the London Palladium yesterday. I went along fully expecting to meet a collection of red-faced old generals and was met instead by a bevy of young ladies in T-shirts with a bright red blob emblazoned on them, the cast of the current hit musical Bubbling Brown Sugar, a crowd of actors, actresses, musicians, celebrities of various kinds — and only one red-faced General — Sir Charles Jones, President of the Royal British Legion.

**Paper weight**

Two years ago the U.S. Government established a Commission on Federal Paperwork in a bid to reduce some of the public

burden of sending forms to various departments. Businesses, being subjected to more of these forms than any other sector of the economy, have complained for years that many reports they have to make are useless, overlapping or too complicated. The commission has estimated the cost to businesses of federal paperwork at \$32bn. annually — and it is still climbing.

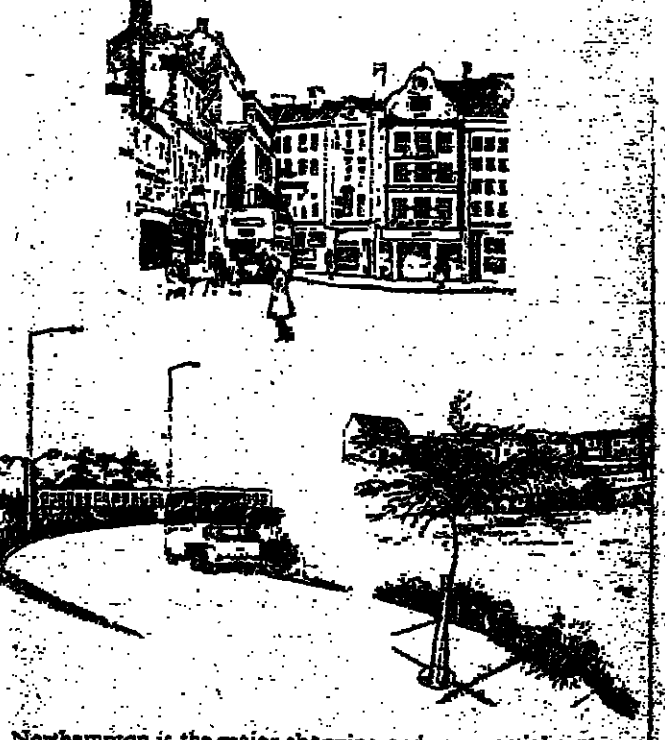
The commission is now going out of action, but it has left behind a legacy. It issued 717 specific recommendations to reduce the paperwork burden and, ironically, just one more form.

This is the "Hassle Factor Worksheet" which can be used by an annoyed or harassed respondent to let the Government know his feelings. There are ten questions to be answered, each scoring points according to the severity of the reply. For example, Question One asks whether the officially requested information "serves no known purpose/is somewhat excessive/is needed." Any official form earning 31-40 points is rated "too much hassle" and any scoring 41-50 is "a disaster."

The theory is that any government department receiving a flood of complaints about a particular form will be moved to action. Hope, it seems, springs eternal.

**Observer**

## Northampton



Northampton is the major shopping and commercial centre for the area. New office buildings and sites are available. It has easy access to the M1 motorway and lies midway between London and Birmingham. It's an ideal centre for distribution.

Northampton's new employment and residential areas are attractively landscaped. Houses are available for employees of firms moving to the town.

Northampton has much more to offer. To find out how much, write to L. Assis-Crowe, Chief Estate Surveyor to Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734 and ask to speak to him.

مكاتبنا في لندن







# COMPANY NEWS + COMMENT

## Hoover hit by seasonal slump

GROUP SALES of Hoover for the nine months to September 30, 1977, were up by 14.9 per cent to £141.1m. and trading profits increased by 17.9 per cent from £7.7m. to £9.1m. but after exchange losses of £208,000 against gains of £4.82m. taxable profits are down to £8.62m. compared with £12.37m. last time.

At the six months stage, trading profits were up by £1m. to £7.55m. The directors say that as anticipated trading conditions in the U.K. remained difficult through the summer months but strong marketing programmes enabled the company to achieve a reasonable level of sales.

In Europe, sales improved over the low levels obtained during the third quarter of 1976. Other overseas markets remain hesitant, but the directors say it is hoped they will show some improvement when they recover from their economic difficulties.

Stated earnings are halved from 41p to 20p per 25p share and as already announced, the interim dividend is 3.61p (3.54p) net.

The amount included in respect of exchange losses from group subsidiaries came to £484,000 (£3.35m. gains) and from the associate company Hoover (Holland) B.V. £38,000 (£1.27m. gains). The associate's contribution to trading profit was up from £148,000 to £396,000.

Despite the recent tax reductions being welcomed the directors say it is disappointing that VAT on company products has not been reduced from 12 1/2 per cent to 8 per cent, or that credit restrictions, which have an important impact on the company's industry, have not been eased.

Company	Page	Col.	Company	Page	Col.
Anglo Scot. Inv.	23	5	Mitchell Cotts	25	4
British Borneo	24	8	Mess Eng.	23	3
Cedar Inv.	24	6	Movitex	24	8
Gieves Group	23	1	Newman-Tonks	24	5
Guardian Inv.	22	3	Parker Knoll	23	3
Higsons Brewery	22	8	Pritchard Servs.	23	4
Hoover	22	7	Scot. Heritable	22	2
Kwik Save Discount	23	1	Slingsby (H. C.)	24	6
Lavers Optical	23	4	UBM Group	24	5
Leyx	24	8	UK Property	24	8
Low (Wm.)	22	4	Usher-Walker	23	2
Michael (John)	24	6	Whiteley (B. S. & W.)	24	7

## Cavenham U.S. moves ahead

On sales, static at \$366.27m., against \$388m. net income of Cavenham of the U.S. rose to \$3.32m. for the second quarter ended October 15, compared with \$2.93m.

Income figures include minority interest in the earnings of subsidiary of \$44,000 for the current quarter compared with \$808,000 in last year's quarter.

Net income during the 1977 first half totalled \$8.18m. compared with \$6.81m. in the 1976 first half. This includes minority interest in earnings of subsidiary of \$617,000 in the current period and \$1,411,000 in the 1976 first half.

For the 1977 first half the company had sales of \$864.41m. compared with \$855.03m.

The results reflect the merger between the Grand Union Company and a subsidiary of Cavenham U.S. in July 1977 when Grand Union became a wholly-owned subsidiary of Cavenham U.S.

## Loan conversion by Dawes directors

At G. R. Dawes Holdings, which went into voluntary liquidation in April, a number of directors have converted their unsecured loan stocks 1978-79.

The number of shares are as follows: Mr. H. A. L. Dawes 266,864 shares; Mr. M. G. K. Dawes 218,236; Mr. P. Griffiths 12,264; Mr. M. J. R. Dawes and 105,030 in the holding of Mr. M. G. K. Dawes. Those of Mr. M. J. R. Dawes are also included as to 56,603 in the holdings of Mr. H. A. L. Dawes and 105,030 in the holding of Mr. M. G. K. Dawes and those of Mr. M. G. K. Dawes are also included as to 56,603 each in the holdings of Mr. H. A. L. Dawes and Mr. M. J. R. Dawes.

## Wm. Low advances to £1.6m.

AFTER REPORTING profits more than doubled from £366,000 to £731,000 at midway, supermarket operators, Wm. Low and Co. announces a surplus of £1,007,792 for the full year to September 3, 1977, compared with £306,923. Turnover advanced £12.07m. to £48.75m.

Tax took £258,156 against £409,247 leaving earnings higher at 19.45p (7.17p) per 20p share. The total dividend is lifted to 2.475p (4.9p) net, with a 3.825p final.

The directors say turnover in the current year has been very well maintained, the sector remains a very competitive one, and the current year's prospects will partly depend upon the success of several new openings.

They are confident that the company will see a further material improvement in profit for 1977-78, but not one comparable with the reported full-year increase.



Mr. William de Vigier, chairman of Acrow, who yesterday reported first-half profits up from £4.01m. to £5.3m. and said that another record year was well in sight.

## Acrow heading for new peak

INCLUDING EXPORTS of £11.57m. against £58.42m. turnover of engineers Acrow expanded from £55.24m. to £73.53m. for the six months to September 30, 1977, and profits advanced from £4.01m. to £5.3m. before tax of £2.75m. compared with £2.17m.

Mr. W. A. de Vigier, the chairman, states that another record year in sales, exports and profits is well in sight. The new container factory in Reddish is ahead of schedule and will bring additional capacity to the group in 1978-79, he adds.

Joint venture agreements have recently been signed to manufacture group products in Brazil and Egypt which for some time to come should open up these markets to more exports from the group's U.K. companies.

The interim dividend is lifted from 1.25p to 1.375p per 25p share. Last year's total was £2,660,250 and 1977 profits were a record £10.73m.

## Record £1.8m. for Higsons

ADVANCE TO record profit of £1.8m. against £1,376.7p for Higsons Brewery for the six months to September 30, 1977, expanded £2.64m. to £18,060. At half-time there was a net profit of £834,246 compared with £537,625 for the previous six months.

Earnings per 25p share for year are stated 2.1p higher at 4.75p compared with 3.75p (4.08p). The directors also propose a one-for-one share issue.

## S. Lyles in strong position

As inflation slows down with the help of tax inducements, trading at export spinners and dyers, S. Lyles improved from the level of summer months, says Mr. S. Lyles, the chairman, in his statement.

The lowering of interest rates and thus mortgage rates, together with tax cuts, should lead to an improving demand for yarn in a strong position, he tells members.

As reported on October turnover expanded from £2 to £10.2m. in the year to July 1977, including exports of £8 (£1.73m.) and pre-tax profits from £436,226 to £744,190. This year, an increase of nearly a third, and a similar rise in profits looks likely.

On that basis the "A" shares at raised from 4p to 4.4975p net

Sales	1977	1976
Trading profit	141,107	122,788
Exchange losses	9,127	7,343
Pre-tax profit	131,980	115,445
Taxation	4,362	4,217
U.K.	3,473	2,784
Overseas	889	1,433
400p	281	586
Net profit	127,618	111,228
Interim dividend	3,962	8,896
10p	2,768	6,888

## Progress for Guardian Trust

Gross income of Guardian Investment Trust Company for the half year to September 30, 1977 rose from £1.36m. to £1.51m. and pre-tax revenue increased from £1.09m. to £1.23m.

The interim dividend is held at 0.75p net per 25p share. Last year's total was 2.35p and pre-tax revenue came to £2.1m.

First-half tax absorbs £430,326 (£482,983) including £345,661 (£343,231) imputed on franked income.

Net assets per share are given as 108.8p compared with 93p at March 31, 1977.

## Possible insolvency at Maxim

Shares of Maxim Fashions were suspended yesterday at the request of the directors because of continuing group trading losses and the possible insolvency of the group.

Maxim, which changed its name from Maxim Maternity Fashions in 1974, has not yet produced financial results for the year to April. At the interim stage the company announced losses of £40,000 pre-tax. At the end of the previous accounting period, for the 17 months to April, 1976, the pre-tax losses were given as £101,000 but Mr. A. D. Marks, the chairman said at the time that

## Increase at New Throgmorton

For the six months to September 30, 1977, gross revenue of New Throgmorton Trust rose from £431,067 to £544,370 and, after administration and interest charges of £97,001 (£92,183) and tax of £151,900 (£137,030) earnings were ahead from £221,854 to £305,469. Earnings for all 1976-77 came to £491,156.

## Dividends Announced

Company	Current payment	Date	Corre. payment	Total for year	Total last year
Acrow	1.375	April 7	1.25	2.625	2.27
Anglo Scottish Inv.	0.99	Jan. 4	0.89	1.88	1.5
British Borneo	2.25p	Dec. 16	2.04	4.29	6.04
Cedar Inv.	1.6	Dec. 14	1.4	3.0	2.1
Fortnum and Mason Int.	2.5	Dec. 29	3.5	6.0	20.8
Gieves Group	1.5p	Dec. 19	1	2.5	4
Guardian Inv.	0.75	Dec. 18	0.75	1.5	2.85
Higsons Brewery	3.76	—	3.37	7.13	4.81
Kwik Save Discount	2.01	Jan. 4	2.39	4.41	3.05
Lavers Optical	Nil	—	1.21	1.21	1.21
Wm. Low and Co.	3.92	Jan. 5	3.4	7.32	4.8
Mitchell Cotts Transport	2.19	Dec. 12	1.94	4.13	3.34
Mess. Engineering	3.51	Jan. 6	2.88	6.39	3.72
Pritchard Services Int.	0.582	Dec. 12	0.44	1.022	1.33
Scotish Heritable Tst. Int.	0.65	Dec. 16	0.58	1.23	1.23
H. C. Sitzeby Int.	0.8	Dec. 30	0.6	1.4	2.25
Sunsel Sabru Int.	1.52	Dec. 23	0.46	1.98	0.78
UBM Group	1.72	Jan. 3	1.78	3.5	4.2
Usher-Walker	1.15	Dec. 9	1.03	2.18	2.83
Wemyss Inv.	6.75	Jan. 16	6.7	13.45	9.3

## ISSUE NEWS

THE APPLICATION lists for ICI's offer for sale of 130,852,097 Ordinary shares in Imperial Metal Industries were closed within a minute of opening at 10 a.m. yesterday.

ICI was offering its 62.8 per cent stake in IMI at 52p a share and it is thought that the offer was over-subscribed between one and two times. The basis for allocation should be announced to-day.

Adwest Group acceptances have been received in respect of 1,034,735 new Ordinary shares of 25p representing approximately 88 per cent of the total number of new shares offered by way of the group's rights issue. The balance has been sold at a premium over the issue price equal to the expenses of the sale.

FURNESS TRINIDAD SHARE SALE  
Furness Withy is offering for sale to residents of Trinidad and Tobago STT 2m. Ordinary stock in its wholly owned subsidiary Furness Trinidad Ltd. of an issued capital of \$774.75m. The shares priced at \$77.20 should raise, if the offer is accepted in full, approximately £1m. at yesterday's rate of exchange. Application lists open on November 7.

HUME CONVERSION  
Hume Holdings has reported that holders of £20,196 of 5p per cent convertible unsecured loan stock 1982/85 have elected to convert their stocks into A and B shares. Accordingly the group has issued 531,943 A shares and 132,953 B shares to those entitled stockholders.

RIGHTS RESULTS  
The Commercial Bank of the Near East has received acceptances for 136,380 (83.4 per cent.) Ordinary shares of £3 pursuant to its rights issue for 100,000 Ordinary shares when the offer closed yesterday. The balance will be sold for the benefit of the entitled shareholders.

**LRC INTERNATIONAL LIMITED**

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All documents for registration and correspondence should in future be sent to—

Lloyds Bank Limited,  
Registrar's Department,  
Goring-by-Sea,  
Worthing, West Sussex BN12 6DA.  
Telephone: Worthing 502541  
(STD Code 0903)

R. N. PERHAM  
Director and Secretary

# 15 years of growth

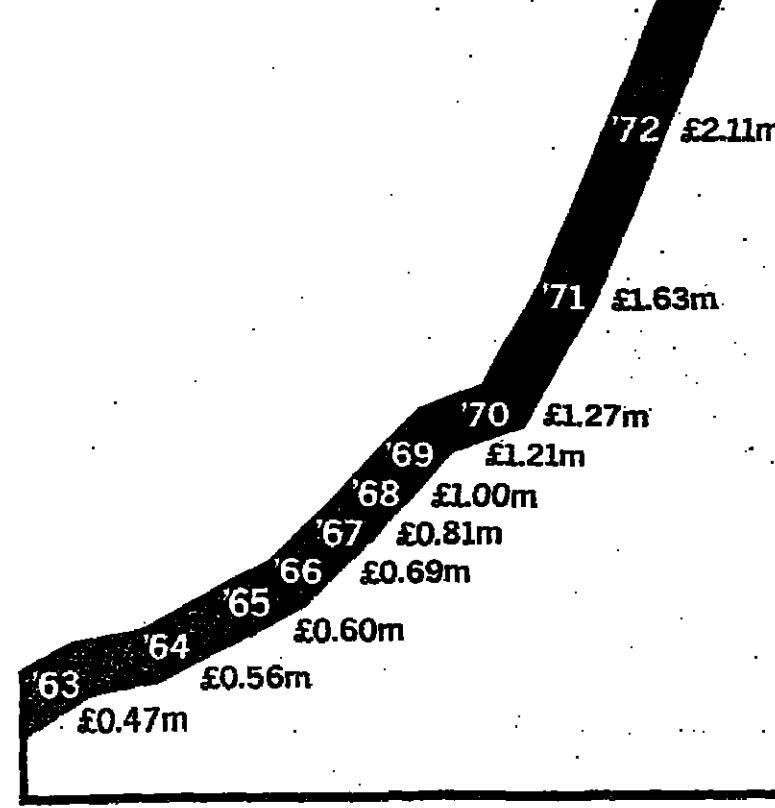
Record pre-tax profits of £5.61 million for the year to 30 June 1977 are reported by Mr. F. V. Waller, Chairman of Adwest Group. An increase on the previous year's figure has been achieved for the 15th year in succession.

Following the one-for-six Rights Issue a dividend increase of 29 per cent is forecast for next year.

Copies of the Annual Report containing the Chairman's Statement to shareholders, are available from the Secretary, Adwest Group Limited, Reading, RG5 4SN.

## Adwest Group

Automotive, Electrical, Agricultural, Industrial and Engineering Products



	Six months to 30.9.77	Six months to 30.9.76	Year ended 31.3.77
Gross Revenue	544,370	451,067	1,065,904
Less: Administration and Interest Charges	87,001	82,183	157,582
	457,369	368,884	880,312
Less: Taxation	151,900	137,030	389,746
Earnings for the period	£305,469	£221,854	£491,156
Unappropriated Revenue brought forward	69,252	182,240	182,240
Net Available for distribution	£374,721	£404,094	£673,396
Earnings per Share	0.781p	0.587p	1.255p
Dividends:—			
1st Interim 1.8% (1976-1.8%)	176,107	176,107	176,107
2nd Interim — (1976-1.8%)	—	—	184,992
Final — (1976-2.8%)	—	—	273,944
Cost of Dividends	£176,107	£176,107	£634,144
Unappropriated Revenue carried forward	£198,614	£227.77	£49,252

The Board of Directors declared a 1st Interim Dividend of 1.8% (1976-1.8%) on 18th July 1977, which was paid on 6th October, 1977 to shareholders on the register as at 5th September, 1977. In the absence of unforeseen circumstances your Directors hope to pay an unchanged total for the current year of 6.175%.

**LUTON**

**64,500 SQ. FT.**

**OFFICES TO LET**

The office accommodation in the Arndale development is on five floors in a completely self-contained block situated above the shopping and car park areas.

Close to M1 and A1 routes and Luton Airport. 36 minutes to London by British Rail.

- \* Solarshield tinted glazing.
- \* Suspended ceilings.
- \* Heating and air-conditioning system.
- \* 3 high speed lifts.

JOINT LETTING AGENTS

**Healey & Baker**  
29 St. George Street, Hanover Square, London W1A 3BG  
01-429-2292

**HALES**  
100-102, High Street, Luton  
01-435-2256

مكاتب الأصيل



# Kwik Save upsurge to peak £8.6m.—rights issue

Financial Times Friday November 4, 1977

**RECORDING** Kwik Save's upsurge in profits to a peak of £8.6m. in the first half of 1977, the directors are forecasting a further increase in the full year. The company's rights issue, which was announced in August, is expected to be completed by the end of the year.

The company's profits for the first half of 1977 were £8.6m., compared with £5.5m. in the same period last year. The directors are forecasting a further increase in the full year profits to £15m. The company's rights issue, which was announced in August, is expected to be completed by the end of the year.

**Record £1.8m. Higson**

**S. Lyles in strong position**

**Gieves trebled at half time**

**Usher-Walker expects to top £0.48m.**

**Setback for Moss Engineering**

**Advance by Anglo Scottish**

**Lever's incurs greater loss**

# Pritchard expects more than £2m.

REPORTING pre-tax profits up from £773,000 to £972,000 for the half year to July 3, 1977, the directors of Pritchard Services Group say indications are that full year profits will exceed £2m.

The interim dividend of 0.575p (0.4375p) net per 5p share includes the maximum permitted increase for the year to reduce disparity with the final 1976 dividend of 0.8175p. The interim dividend is now also declared for 1977 following the reduction in ACT.

# Setback for Moss Engineering

A SECOND HALF decline in taxable earnings from £361,720 to £389,035, at Birmingham based Moss Engineering Group felt full-year profits for the year to August 31, 1977, £104,707 lower at £21,149.

The directors are forecasting a further increase in the full year profits to £15m. The company's rights issue, which was announced in August, is expected to be completed by the end of the year.

# Advance by Anglo Scottish

GROSS REVENUE of £133m. against £122m. is reported by Anglo Scottish Investment Trust for the year to September 30, 1977, including interest on temporary loans and deposits of £15,351 compared with £73,234 and underwriting commission of £2,767.

The interim dividend of 0.575p (0.4375p) net per 5p share includes the maximum permitted increase for the year to reduce disparity with the final 1976 dividend of 0.8175p. The interim dividend is now also declared for 1977 following the reduction in ACT.

**comment**

Pritchard Services is confidently forecasting full-year pre-tax profits of more than £2m. after its 26 per cent. first half gain; while the second half should see the first profits from the group's share of the £160m. five-year waste disposal contract in Saudi Arabia. Meanwhile the loss making Canadian industrial catering division has now moved into profit thanks to the £5m.-year James Bay contract and Canadian trading margins have doubled to 5 per cent. In the UK, the important building maintenance division—taking in office and factory cleaning—has increased profits by around 25 per cent. while the stone cleaning division will have been assisted by the clean-up of office buildings ahead of the Jubilee Celebrations. The second half should also be helped with the UK security division—on which £1m. has been spent in the past three years—expected to show its first profit. The shares yield 7.9 per cent. at 28½p.

# Gieves trebled at half time

MORE THAN threefold increase in taxable profit from £206,000 to £440,000 is reported by Gieves for the six months to July 1977.

Trading has continued to be satisfactory, Mr. M. H. A. Redwood, chairman, says. Shareholders, in view of the high level profits in the first half, not to expect last year's seasonal variations to be repeated. Total profit for the year is £780,000.

Books of the group, which includes publishers, bookbinders, motor dealers and car operators is after interest of £14,000 (£29,000) gave a net turnover ahead from £11,640 to £15,140.

After tax of £244,000 (£106,000) attributable profit is £206,000 while last year a £237,000 extraordinary credit boosted the result to £33,000.

The interim dividend on capital increased by a one-for-six rights issue is lifted from 1p to 1.5p and final of 2.9875p is forecast total dividend last year was 4p net per 25p share.

Mr. Keeling says that all four divisions produced substantially better results in the period. The levels and Hawker continues to do well, particularly in the new and group investments.

# Lever's incurs greater loss

On higher turnover of £112m. against £97m. the pre-tax loss incurred by Levers Optical in the first half has increased from £13,871 to £150,673 for all 1976 and no dividend is being paid, compared with 1.20525p net.

The results include the losses of a subsidiary, which has been disposed of since the year-end. Tax credits were £13,132 (£3,178) and the attributable deficit came out at £134,881 (£13,693), representing a loss per share of 54.2p against 4.4p.

Following the revaluation of the company's freehold premises at 38, Mount Pleasant, London, an amount of £121,207 has been debited to capital reserve.

## GLANFIELD SECURITIES LIMITED

Main points from Sir Jack Lyons' Statement:

Pre-tax profits for year ended 31st March 1977: £511,467 (1976: £491,157)

Proposed final dividend of 4.5p per share making 8.5p (8p)

Policy of maintaining a high level of liquidity has continued.

Share has taken advantage of the substantial improvement in the value of real estate properties where proceeds can be better used in other investments.

Accounts can be obtained from The Secretary, 10, Pall Mall, London W1N 4BD.

## MONEY MARKET

### Full credit supply

Bank of England Minimum Lending Rate 5 per cent. (since October 14, 1977)

Day-to-day credit was in good shape in the London money market again yesterday, and the authorities absorbed surplus funds by selling a small amount of Treasury bills in the discount houses.

Banks carried forward surplus balances. Government discount night loans opened at 8¼-4 per cent. and declined to 2¼-3 per cent. at the close.

Discount houses buying rates for three-month Treasury bills remained at 4½ per cent., but interest rates were generally firmer, reflecting uncertainty about the miners' rejection of the National Coal Board productivity scheme earlier this week.

Rates in the table below are nominal in some cases.

Nov. 3 1977	Starting rate of deposits	Interbank	Local Authority deposits	Local Auth. acceptable bonds	Finance House Deposits	Company Deposits	Discount	Treasury Bills	Eligible Bank Bills	Prime Trade Bills
Overnight	—	2-4	4	—	—	5½-4	—	—	—	—
1 day	—	—	—	—	—	—	—	—	—	—
7 day	—	—	—	—	—	—	—	—	—	—
14 day	—	—	—	—	—	—	—	—	—	—
1 month	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
2 months	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
3 months	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
6 months	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
9 months	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
12 months	4½-4¾	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	4-4½	5½-5½
2 years	—	—	—	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed.

Local authority acceptable bonds: four years 10-10½ per cent., five years 10-10½ per cent., five years 10-10½ per cent., five years 10-10½ per cent., five years 10-10½ per cent.

Company Deposits: 12 months 4½-4¾ per cent., 18 months 4½-4¾ per cent., 24 months 4½-4¾ per cent., 30 months 4½-4¾ per cent., 36 months 4½-4¾ per cent., 42 months 4½-4¾ per cent., 48 months 4½-4¾ per cent., 54 months 4½-4¾ per cent., 60 months 4½-4¾ per cent., 66 months 4½-4¾ per cent., 72 months 4½-4¾ per cent., 78 months 4½-4¾ per cent., 84 months 4½-4¾ per cent., 90 months 4½-4¾ per cent., 96 months 4½-4¾ per cent., 102 months 4½-4¾ per cent., 108 months 4½-4¾ per cent., 114 months 4½-4¾ per cent., 120 months 4½-4¾ per cent.

# BBA is a group of many parts.



## Some are fitted as original equipment on Europe's most beautiful babies.

BBA means different things to different people. In the automotive world, it's the name behind some vital original equipment on Europe's newest small cars; notably the Ford Fiesta and the new Chrysler Sunbeam.

Manufactured and marketed in the U.K. by *Mintex*, in Germany by *Textar* and in Spain by *Frenosa*. BBA friction materials - clutch and brake linings and disc brake pads - are not only used by Europe's leading motor manufacturers, they're also fitted as replacement parts on cars and commercial vehicles all over the world.

But friction materials are only part of the BBA story. Wherever there's a need to harness motive power there's a BBA product designed to do the job.

the world's widest and most versatile range of plastics bearings. Railko have just received the Queen's Award to Industry for the technology behind a revolutionary propeller shaft bearing for big ships - a bearing in a reinforced plastics material so tough that it's 17 times more resilient than white metal.

Add to all this our industrial textiles, glass fibre and other interests; our manufacturing plants in Europe, North America, Australia and South Africa, not to mention our exports from the U.K. to well over 100 countries - and what have you got?

A group that's an essential part of world industry.

**BBA GROUP LIMITED** **Needed by every industry.**

Take Railko, for instance, who manufacture

the world's widest and most versatile range of plastics bearings. Railko have just received the Queen's Award to Industry for the technology behind a revolutionary propeller shaft bearing for big ships - a bearing in a reinforced plastics material so tough that it's 17 times more resilient than white metal.

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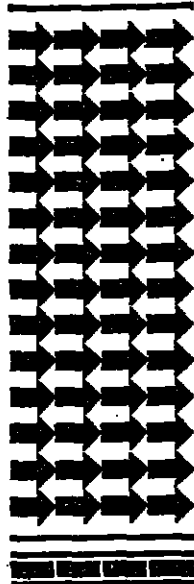
BBA Group Limited, Cleckheaton, West Yorkshire, and West Germany, USA, Spain, Canada, France, Australia, South Africa.



# A FINANCIAL TIMES SURVEY

# OFFICE RELOCATION

## NOVEMBER 14 1977



The Financial Times Survey on Office Relocation will now be published on November 14 1977, not as originally stated, on November 4 1977.

Details of advertising rates and of the editorial synopsis are available from:

Terry Druce

Financial Times Bracken House, 10 Cannon Street, London EC4P 4BY  
Tel: 01-248 8000 Ext. 7196. Telex: 885033 FINTIM G

### FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

# UBM growth to continue after 43% midterm jump

ON SALES 16 per cent higher at £93.23m, taxable profit of UBM Group jumped 43 per cent to £1.58m in the six months to August 31, 1977.

Mr. M. G. Phillips, chairman, says that as predicted there was a significant improvement in the profitability of the merchandising division in the half, against a background of generally poor trading conditions.

Both merchandising companies and UBM Engineering made substantial progress and are expected to be in profits by the year end. Glass division turnover was reduced in the period by non-recurring losses on certain contracts.

The improved profitability is expected to continue during the closing half, when the company will benefit from reduced interest rates.

The Chancellor of the Exchequer's recent statement of his intention to stimulate the building industry will be of longer term benefit to the company but is unlikely to affect this year's results.

The interim dividend is up from

## H. C. Slingsby dips £8,000 at midterm

Despite turnover rising from £1.37m to £1.52m, taxable profit of maker of trucks, loaders, etc. H. C. Slingsby dipped from £53,837 to £47,843 in the June 30, 1977, six months.

## John Michael cuts loss and sees profits

Menswear group John Michael (Savile Row) cut its loss from £226,565 to £77,250 in the January 29 year.

After a £20,907 (nil) tax credit and extraordinary items, profit comes out at £224,209 against a £42,593 loss previously.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official notices are not available whether dividends proposed are interim or final and the amounts are based on the latest available information.

Company	Date
Alfred Leazer Industries	Nov. 23
Alford (John)	Nov. 23
Birmingham City	Dec. 1
East Midlands	Nov. 15
Fluoride	Nov. 9
Folkens (John) Holdings	Nov. 23
Glaxo	Nov. 23
Sainsbury (J)	Nov. 9
Young's Investment Trust	Nov. 9
Fluoride	Nov. 17
Belway	Nov. 17
Glaxo (N.J.) (Canada)	Dec. 1
Kroch (G. & G.)	Nov. 10
Morris (Wm)	Nov. 7
Westward TV	Nov. 11

# Half-time leap by U.K. Property

Buoyant conditions in the property industry enabled U.K. Kingdom Property Co. to take full advantage and to complete a programme of property sales, debt repayment. While enjoying strong, positive cash flow, pre-tax profits leapt from £4,000 to £228,000 for the half-year to September 30, 1977.

Second half profits are expected to be not less than those for the first six months. For all 1977 a surplus of £250,000 is achieved.

The directors do not believe to be in the company's interest to resume dividends at this stage. The next dividend will be met interim, in respect of 1977-78.

Although turnover fell to £1.97m from £1.56m, pre-tax profit improved £28,000 to £80,400 in the six months to June 30, 1977.

Again no dividend is to be paid. The last payment was 0.5p per share for 1973-74, when a £27,707 pre-tax profit was reported.

## Half-time improvement at Levex

Although turnover fell to £1.97m from £1.56m, pre-tax profit improved £28,000 to £80,400 in the six months to June 30, 1977.

Again no dividend is to be paid. The last payment was 0.5p per share for 1973-74, when a £27,707 pre-tax profit was reported.

## Newman-Tonks remains confident

THE FORECASTS for the current year at metal hardware makers Newman-Tonks are encouraging. Despite recession in the building industry, order books of most group companies are more buoyant than at the same time last year, Mr. Michael Wright, the chairman, tells members.

Providing there are no unexpected outside influences beyond the directors' control, he believes the group will reap the benefits of the considerable capital spending during 1976-77 on plant and modernisation.

For the year to July 31, 1977, pre-tax profit expanded some 70 per cent to £1.78m (£1.13m) on sales ahead at £20.0m (£16.36m).

Year end net liquid funds were up £124,000 (down £68,000) and capital expenditure amounted to £732,000 (£32,000) for which £43,000 (£29,000) had been authorised but not contracted.

Exports for the year totalled £2.55m (£1.49m). A geographical analysis of turnover and trading profits of £1.72m (£1.03m) shows, in percentages: Africa 2.3 (2.8) and 14.1 (9.1); Australasia 5.3 (5.8) and 10.6 (17.2); North America 0.5 (0.9) and nil (0.1); and U.K. companies 91.5 (90.1) and 84.3 (73.6).

Mr. Wright says he is confident that, with the reorganisation and capital injection which is currently taking place, the hardware division will be in a position to give an adequate return on capital employed in the near future.

The engineering division, the largest contributor to group profit, is now able not only to consolidate its predominant position in the U.K. for the production of overhead door closers, but can also compete in world markets, he says.

Subsidiary companies made a

significant contribution to profits during 1976/77. Newpaper Aluminium, the factory purchased in the Republic of Ireland in conjunction with Peerless Stampings Group last year, is expected to be a useful addition to profits in the current year.

Since year end Parow and Whight of Victoria, Australia, a company making plumbing fittings, has been acquired and will absorb production at the group's existing factory at Melbourne. The latter, together with land at Altona, is to be sold, the chairman states.

Meeting: Birmingham, November 25 at noon.

## Revenue rise for Cedar Investment

Revenue of Cedar Investment Trust for the year ended September 30, 1977, emerged higher at £556,806 compared with £728,945 after tax up from £485,532 to £505,304 which included foreign withholding taxes of £25,057 against £23,387.

Stated earnings per 25p share are 2.53p (2.23p) and the dividend is increased to 2.5p (2.1p), absorbing £728,923 (£663,403) with a net final of 1.6p.

Gross income was £1.42m (£1.45m). Net assets amounted to £22.1m (£28.5m)—the value per share, after deducting prior charges at par but treating the 9 per cent convertible loan stock as fully converted, is shown at 89.5p (87p).

## SAUNDERS VALVE

The resolution approving the repayment by Saunders Valve, a wholly owned subsidiary of

Gallaher of its outstanding £773,200 7 1/2 per cent Debenture Stock 1986/91 on the basis of £82 in cash plus accrued interest for every £100 nominal of the stock was passed at a meeting held on November 2.

## Whiteley in the red at halfway

Pressboard and presspaper group R. S. and W. Whiteley tumbled from a £167,896 taxable profit to a £58,556 trading loss in the six months to September 30, 1977. Turnover was £2.79m, against £3.02m.

The result does not include Whiteley's 115,203 share of its Japanese associate company's trading loss.

Directors say that losses consolidated earlier effectively cancel the cost of the shareholding and the company has no further liability, contingent or otherwise, in respect of the investment.

Home and export sales were below target and the company has therefore made redundant part of its workforce and reverted from a four to three shift working.

With these and other economy measures, the directors now believe they are moving towards stabilising their position.

The result is before a tax credit of £22,918 (£72,423 debit). Again no interim will be paid. Last year a final payment of 0.9p net was made.

## Lower tax helps Movitex at halfway

Plastic and specialised cutlery, Movitex reports turnover £3.35m for the year to February 28, 1977 against £2.24m and pre-tax profit of £130,457 from £130,128 before lower tax.

The attributable balance £105,655 (£87,230) and there are extraordinary credits of £105 (£55,594) including profits on sale of freehold properties, currency exchange. Again there is no dividend. The last payment was 0.7p net for 1973-74.

The directors say that results have been adversely affected by industrial action in the tea-making subsidiary. The cost of this action was some £200,000. New arrangements have been made to reduce the impact of this action.

Home and export sales were below target and the company has therefore made redundant part of its workforce and reverted from a four to three shift working.

With these and other economy measures, the directors now believe they are moving towards stabilising their position.

The result is before a tax credit of £22,918 (£72,423 debit). Again no interim will be paid. Last year a final payment of 0.9p net was made.

Whiteley reported record profits in 1974 of £285,575, but in the following year plunged to a £16,802 profit before recovering slightly to last year's £279,590.

Whiteley reported record profits in 1974 of £285,575, but in the following year plunged to a £16,802 profit before recovering slightly to last year's £279,590.

# ANGLOVAAL Chairman's review

## Reasoned plan for change needed involving all S.A. race groups - Mr Basil E. Hersov

The year under review proved to be even more difficult than predicted and there was a further decline in the real national growth rate. The progress of the South African economy has traditionally been dependent on the strength of its foreign trade and its attractions as an area for investment. Although there has been a welcome improvement on the current account of the balance of payments during the past year, this has been achieved partly as a result of increasing mineral exports but also partly as a result of restrictive monetary and fiscal policies. These latter policies reduced imports and the rate of increase of domestic expenditure, thus contributing to the lower rate of economic growth and consequent increased unemployment. At the same time the capital account of the balance of payments deteriorated during the year, mainly due to a decrease in the inflow of long-term capital resulting from the current political uncertainties in Southern Africa.

South Africa has a basic need for foreign investment, particularly risk capital, to achieve a high rate of growth and thus provide gainful employment for all its peoples. There is a long tradition of overseas investment in South Africa with strong ties of friendship and business association. The overseas investor's views of South Africa and its future as a home for capital investment is critical to our economic health and development. These investors are basically cautious in their approach and invest where they have confidence in security and growth and are therefore not only interested in the maintenance of stability but in positive evidence of social and industrial peace. We, as South Africans, must appreciate that we operate in isolation at the peril of our continued prosperity, which is essential for such peace. We must have the courage, moreover, as the need for various changes in our system becomes apparent, to effect these changes expeditiously, not merely to meet overseas opinion, but because they are right and necessary.

It is important to differentiate between varying overseas opinions and not to regard all overseas criticism as being hostile. I do not agree with the response to overseas critics by some in this country, both in and out of government, that these critics will be satisfied with nothing short of total and immediate capitulation by the whites in South Africa.

This is a false generalisation and creates an atmosphere of unreasonableness and even hysteria. What is sought, both inside and outside South Africa, is a reasoned plan for necessary changes while safeguarding those things of value in our society. We need a plan and a direction from government that, in order to be effective internally as well as convincing externally, must be acceptable to all the peoples of South Africa and not only to a minority. There must be a change of attitude by some in authority who should realise that their fears of the dangers of

genine dialogue between all the peoples of South Africa are far outweighed by the serious consequences of non-communication and isolation.

What emerges from such communication may well fall short of satisfying the often unrealistic people who demonstrate and vote against South Africa in the world bodies. However, if it indicates a general acceptance of plans for action it will give the vast number of responsible people and institutions overseas who earnestly hope for peaceful change some positive indication of improved conditions in South Africa.

Much has been said in recent times of the rôle that the private sector should or should not play in the development of events. This subject was dwelt on in this review last year. Nevertheless, it cannot be sufficiently stressed that, whatever the arguments may be for or against the participation of the private sector outside the strict confines of their immediate business interests in normal times, South Africa is at an historical watershed where it is vital that every single South African

and every South African institution accept their full responsibilities in whatever sphere they operate.

The business community has thus an essential rôle to play and must be seen to be so doing. Its active participation in events will be seen as a significant portent of positive and healthy development in South Africa and will, I believe, in turn elicit from our overseas business counterparts a constructive response. In our Group we are continuing to make meaningful improvements in socio-economic conditions generally with special emphasis towards our employees, particularly in those areas where discrimination has retarded progress.

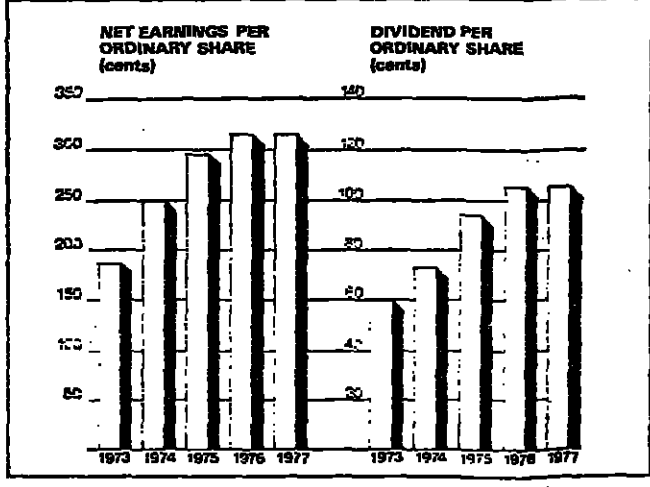
### Taxation of inflation profits

The problem of accounting for inflation has not yet reached sufficient consensus to be generally accepted. We have therefore continued to produce accounts on an historical basis while at the same time are cognisant of the vital necessity to provide higher rates of depreciation in the light of escalating replacement costs of plant and the need to adjust stock values. It is to be hoped that the fiscal authorities are aware of developments in this field and that relief from the use of inflated paper profits as a basis for taxation, which operates as a brake to growth of industrial development, will not be long delayed.

### Financial results

The consolidated taxed profit for the year ended 30 June 1977 attributable to members was R147,000, compared with R13,497,000 last year, and net earnings per ordinary share were unchanged at 318 cents per share.

While there was no diminution in profits carried, the lack of growth is attributable to higher working costs encountered in the mining industry, which



## Extracts from the Directors' report

### Financial

The Company earned a profit after taxation of R3 109 000 compared with R7 727 000 for the 1976 financial year and its net earnings per share rose to 181 cents (1976 - 172 cents), of which 105 cents (1976 - 105 cents) were declared as dividends. Consolidated profit after taxation attributable to members of R147 000 was virtually the same as last year. The lack of growth in earnings was due mainly to lower dividend payments received from the Group's gold mining investments and to the drop in profits from certain industrial companies due to the continued slowing down of industrial activity during the year.

### Investments

During the year Food Corporation (Proprietary) Limited became a wholly-owned subsidiary of South African Corporation Limited. South Africa Importers and Exporters (Proprietary) Limited of T.W. Beckert and Company Limited, Combine Cargo Limited, a subsidiary of the Company, was formed to enter the freight forwarding and shipping industry.

The profit after taxation attributable to members was earned from the following classes of business:

Class of Business	1977	1976
Gold and uranium	26	29
Other minerals and metals	21	21
Food and packaging	25	23
Building and allied industries	2	2
Engineering	13	4
Other industrial interests	12	15
Financial	2	1

### Mining investments

Middle Waters and (Western Areas) Limited Mining operations, prospecting and mineral companies. The main reason for the fall in the after-tax profit to R2 211 000 (1976 - R1 232 000) was the reduced level of dividends from the company's gold mining

investments. As at 7 September 1977 the market value of listed investments had improved to R46 729 000 as against R40 596 000 at 30 June 1977.

Hartbeesfontein Gold Mining Company Limited Gold and uranium production

While gold revenue declined, working costs continued to increase and profit after taxation was consequently lower at R23 140 000 (1976 - R28 495 000). Cash resources were adversely affected by the increase in levy imposed by the State and at 30 June 1977 a total of R8 753 000 equal to 73 cents per share had been contributed to this levy. Recently the company successfully concluded a two-year contract for the supply of uranium oxide which includes a R3 000 000 loan to the company. A sulphuric acid plant with an annual capacity of 140 000 tons of acid is to be constructed and is scheduled to commence operation in 1979.

The gold price has recently shown signs of an upward trend and world uranium prices at present remain firm. The black labour complement is more than adequate in numbers and should show an improvement in productivity. While no firm estimates of earnings and dividends can be made because of the

coupled with a lower gold price affected the level of dividends received from the Group's gold investments, and the continuing difficult trading conditions experienced by our industrial companies.

The Company's own earnings were 181 cents per share, an increase of 5.2 per cent over last year and the ordinary dividend was maintained at 105 cents per share. As at 30 June 1977 the net asset value per ordinary share was 9 241 cents per share (1976 - 2 335 cents per share).

### Investments

At 30 June 1977 the market value of the listed investments in the Company's portfolio was R76 528 000, compared with R76 536 000 at the end of the previous financial year. Prices have subsequently improved on The Johannesburg Stock Exchange, and on 5 October 1977 the market value was R92 987 000. Since the end of the financial year the Group has disposed of its interest in Anso Platinum Mines (Proprietary) Limited to Rustenburg Platinum Holdings Limited ("R.P.H.") for an amount of R1 515 248, which will be satisfied by the issue, subject to the approval by R.P.H. shareholders, of 1 515 864 deferred ordinary shares in R.P.H., which will not rank for dividends until they are converted to ordinary shares on 1 September 1979. Loans to Anso will be repaid after three years.

### Future prospects

One of the major problems facing companies at present is the achievement of a steady growth in earnings and the maintenance of acceptable dividend yields in the light of current rates of inflation and taxation. In planning for the current financial year, a high priority has been set on the maintenance of adequate levels of liquidity throughout the Group with a view to being well placed to take advantage of new mining and industrial business opportunities.

While we support government's efforts to control inflation we are most concerned at the growing unemployment, particularly of blacks, and feel that the time has arrived for government to stimulate certain of the depressed areas of industry. This should be done in labour-intensive areas so that, combined with the abolition of colour discrimination in the economic sphere, maximum employment can be re-created steadily.

*Basil Hersov*

4 October 1977

مكتبات الامم المتحدة



# Anglo-Vaal now rides its time

**KENNETH MARSTON, MINING EDITOR**

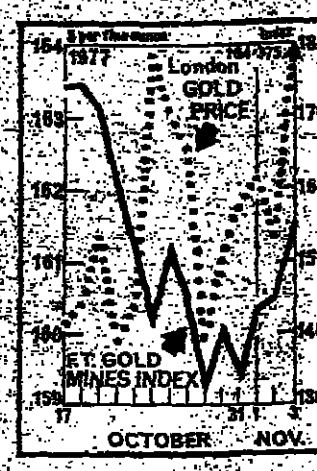
ANGLO-VAAL has a need to raise investment capital in order to achieve its target of 10% per annum growth. This is the message of a report by Mr. J. H. van der Merwe, Anglo-Vaal's managing director, in a letter to shareholders.

Mr. van der Merwe says that the company's growth has been hampered by a shortage of funds. He says that the company has a long-term plan to expand its operations and that it needs to raise capital to do so.

He says that the company has a strong management team and that it is well-positioned to take advantage of the opportunities available in the mining industry.

The Gold share market continues its erratic movements which have followed the October 20 political repression moves by South Africa. Yesterday share prices moved sharply upwards following the satisfactory outcome to the latest International Monetary Fund gold auction. Bullion was finally \$3 higher at \$164.375 per ounce.

Yesterday share prices moved sharply upwards following the satisfactory outcome to the latest International Monetary Fund gold auction. Bullion was finally \$3 higher at \$164.375 per ounce.



The young Prieka mine is suffering from the weakness of copper prices. Mr. van der Merwe says that the company will be heavily involved in the current year's operations. He says that the company has a strong management team and that it is well-positioned to take advantage of the opportunities available in the mining industry.

**URANIUM SUPPLY LOOKS STABLE**

The Council of the Uranium Institute, meeting this week in Johannesburg, has expressed the view that the supply of uranium will remain fairly stable for the next five or six years.

Members from six of the 11 countries represented on the Council stressed the meeting to shape administration policies, budgets, the dissemination of information and the standard that will be taken against the background of the nuclear industry.

**RA STAKE IN AUSTRALIAN GEM RESPECT RISES**

The Australian arm of the Anglo-Vaal group, Anglo-Vaal Australia, has announced that it has acquired a 10% stake in the Kimberley area of northern Western Australia.

The Kimberley area is rich in diamonds and is one of the most important diamond producing areas in the world. Anglo-Vaal Australia has a long history of operations in the area and has a strong management team.

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## Mitchell Cotts Transport

**Gold Fields to bid £1.4m. for Newconex stock**

HARD on the heels of its proposed \$40m. rights issue, Consolidated Gold Fields announces that it plans to acquire all the outstanding shares of Canada's Newconex Holdings. It does not already own a price of not less than \$28 (29¢) per share. They were \$28.40 in Toronto yesterday.

The \$28.40 (£1.4m.) purchase is subject to certain provisions (regarding tax aspects of the merger) announced by the Canadian Minister of Finance, M. Jean Chretien, becoming law. A final decision will not be made until certain studies have been completed.

Gold Fields presently owns 1,624,000 shares of 77.1 per cent of Newconex. The latter has interests in mineral exploration and the distribution and servicing of equipment for the resource and construction industries.

**COPPER SLUMP HITS PHELPS**

As gloom spreads over the U.S. copper industry, Phelps Dodge yesterday announced a predictable third quarter loss, following the step-down of Asarco and Kennecott Copper. There was a net deficit of \$21.9m. (£11.9m.) against a net profit of \$13.1m. in the same period of last year.

The disclosure was accompanied by a declaration of a cut in the quarterly dividend from 55 cents to 15 cents (6.2p).

Mr. George Munroe, the Phelps chairman, explained that copper prices in the 1977 quarter were 11 cents a pound less than in the corresponding quarter of 1976. The group also had to face higher costs and reduced sales, partly as a result of strikes.

**ROUND-UP**

The Rio Tinto-Zinc group's 66.2 per cent-owned Canadian Brines reports a net loss of \$Can.139,000 (£58,200) for the past nine months compared with a net profit of \$Can.420,000 in the same period of last year. The change, it is stated, results from a decrease in short-term interest rates. During the latest period approximately \$Can.3.1m. was spent on the Labrador uranium project. Working capital at the end of the period was \$Can.48.8m.

Zambia's Nchanga Consolidated Mines has completed the payment of the \$33m. compensation due to the Anglo-American Corporation group under the terms of the termination agreement dated November 15, 1974. This agreement contained provisions for the early termination of the management agreements concluded in 1970 between Anglo American and NCCM and paved the way for the existing self-management arrangements.

**INDUSTRIAL INVESTMENTS**

Anglo-Transvaal Industries Limited (Industrial investment and finance company)

The country's fiscal and monetary policies introduced in order to improve the country's balance of payments have, as anticipated, had a dampening effect on the economy and aggravated the already difficult trading conditions encountered in industry. It was not surprising, therefore, that many of the company's subsidiaries were unable to match profits of the previous year. However, certain of the subsidiaries earned substantially improved profits and enabled the group to achieve a pre-tax profit of R25,559,000, which was only marginally lower than the profit of R25,959,000 earned in the previous year.

**IRVING-JOHNSON LIMITED**

As a result of poor fish catches and low yields from the company's vegetable processing operations, the profit attributable to ordinary shareholders was sharply reduced to R1,424,000, 1976 - R1,400,000. The extension of the company's vegetable processing operations by Government has not yet commenced operation, but even when adequate provision of the mineral fish resources is allowed by the authorities, improved catches cannot be expected in the short-term.

**CONCENTRA LIMITED**

An increase in the industry price of firmmeal to domestic consumers and higher export prices have helped to achieve a profit improvement for the year to R290,000 after taxation (1976 - R172,000). Profitability in the coming year should at least be maintained, provided world selling prices continue at their present high level.

**GLOBE ENGINEERING WORKS LIMITED**

The material change in the fortunes of the Globe group is due to profits arising from the completion of a number of long-term contracts and the fact that no further shipbuilding losses were incurred during the year. There was a considerable profit after taxation and before extraordinary items of R3,002,000 (1976 - R2,090,000). The volume of work on order throughout the year remained at a low level in both marine and industrial engineering and profit margins have been under constant pressure. The delivery by JAMES BROWN & HAMER LIMITED of the remaining five vessels and the completion of the

# BERLIN-MOABIT 115 PM



## More Light For Yugoslavia

The 4-m high, 200-tonne stator of a hydro-electric generator is prepared for high-voltage testing in the AEG-Telefunken Grossmaschinenfabrik, Berlin. Two such machines will be in operation from 1978 onwards at the Yugoslavian pumped storage power station Capljina in a cavern 200 m below ground. When operating as motors, they will pump water up 237 m to a storage basin, and as generators they will produce 540 000 KW of power for the Yugoslavian electricity supply system. In addition to the heavy generators, AEG-Telefunken will also be supplying the rest of the electrical equipment including the outdoor substation and the corresponding process computer. The value of the contract is about 50 million DM. Apart from AEG-Telefunken, more than 3000 industrial firms utilize the special advantages of the Berlin economic region. These are companies of world-wide reputation, such as Schering, Daimler-Benz, BMW, Siemens, Borsig, IBM, Eternit, Standard Elektrik Lorenz, Philips, Osram, Bahlsen and - last but not least - Gillette. In Berlin, Germany's largest industrial city, middle-sized companies recently established operate just as successfully as important international firms. For information on investment incentive programmes and additional possibilities in Berlin, contact: Der Senator fuer Wirtschaft, Martin-Luther-Strasse 105, D-1000 Berlin 62. Telephone: (030) 783 81 57. Telex: 01-83798.

**invest - produce in Berlin**

## Extracts from the Directors' report (continued)

an increase in earnings which were R242 000 after nine months' operations in the current financial year.

**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

Profit after taxation was high changed at R1 694 000 (1976 - R1 633 000), an increase in working costs being offset by an increase in revenue and a reduction in other expenses. Taxation treated and gold production should remain at about the same level as in the previous year.

**Anglo Main Reef Gold Mining Company (1934) Limited**

Operations at the mine consisted of the replacement and sale of equipment, the continuation of small scale mining, the mining of South Reef outcrop pillar and partial surface clean-up work. In addition, the operation of calcine acquired from AECI Limited was completed on a limited scale during the last quarter of the year. Approximately 200 kilograms of gold were recovered from all operations. The loss of R515 000 (1976 - R333 000) includes expenditure of R130 000 on plant and equipment purchased for the treatment of calcines, which will be the company's main activity for the next 24 years.

**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

Continuing inflation coupled with the gold price continued to preclude the expansion of mining operations. The establishment of residential townships with a view to realising the company's freehold land to bear an average 10% return.

**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

As a result of the increase in the price of copper concentrates and an increase in the average L.M.E. price received for copper, Prieka earned a record operating profit of R1 010 000. After interest, loan repayments and capital expenditure, R5 910 000 was transferred to general reserves. Although Prieka earned the year's highest profit, the company's overall performance was hampered by the depreciation of existing loans and capital expenditure of approximately R5 500 000. Prieka's financial resources will be severely strained.

**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

The consolidated profit after taxation for the six months to 30 June 1977 was R1 010 000, as against R1 919 000 in the 1976 financial year. The tonnage of manganese ore dispatched in that year decreased somewhat but sales revenue increased due to higher dispatches of higher grades and improved prices. During the year, the company's operations were hampered by the depreciation of existing loans and capital expenditure of approximately R5 500 000. Prieka's financial resources will be severely strained.

**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

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**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

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*(mining, financing and finance)*

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**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

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**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

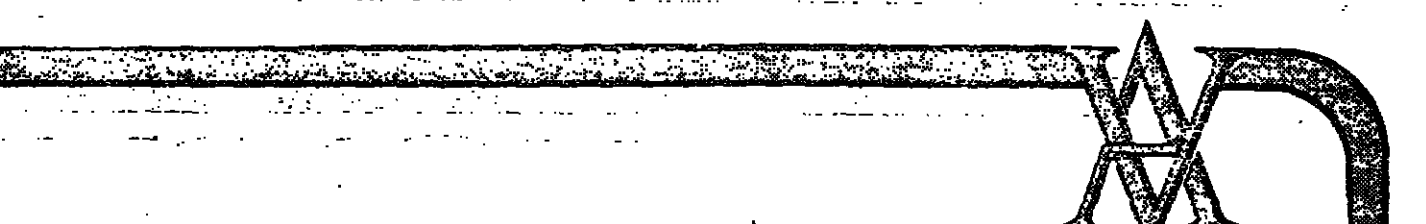
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*(mining, financing and finance)*

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**Anglo-Transvaal Consolidated Mines Limited**  
*(mining, financing and finance)*

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**ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY, LIMITED**

**REGISTERED OFFICE:**  
ANGLOVAAL HOUSE,  
56 MAIN STREET, JOHANNESBURG

**LONDON SECRETARIES:**  
ANGLO-TRANSVAAL TRUSTEES LIMITED,  
295 REGENT STREET, LONDON W1R 8ST

The Annual General Meeting of the Company will be held at 09h30 on 24 November, 1977 at the registered office of the Company.

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APPOINTMENTS

Managing Director

for a notably successful engineering company renowned for high quality and technical leadership in its product range.

- THE role is to assume responsibility for the total management of the undertaking and to promote further profitable growth by expanding the existing business and extending the present product range.
• THE requirement is for a professionally qualified engineer with a record of profitable achievement at top management level in a business concerned with the manufacture and assembly of batch produced special purpose mechanical products.
• TERMS to match experience and achievement, are for discussion with around £20,000 as the salary indicator. Age - preferably late 30s to early 40s. West Country location.

Write in complete confidence to J. E. B. Drake as adviser to the company.

TYZACK & PARTNERS LTD 10 HALLAM STREET and LONDON W1N 6DJ 12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Managing Director EXPORT

for a successful medium sized public company which is a world leader in producing a range of chemical based products sold into dry and industrial markets.

- RESPONSIBILITY is to the group managing director for the profitability and business development of a rapidly growing export trading company with a current turnover of about £3m.
• THE requirement is for a successful record of international marketing management, strong analytical skills in addition to direct selling, and entrepreneurial flair.
• PREFERRED age: 30s.
• REMUNERATION negotiable in five figures, with good additional benefits.

Write in complete confidence to A. Longland as adviser to the company.

TYZACK & PARTNERS LTD 10 HALLAM STREET and LONDON W1N 6DJ 12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

GENERAL MANAGER

Automotive components £10,000+car Daventry

A successful private company seeks a managing director designate to assume control of its larger process subsidiary (with a seven-figure turnover) before a 1978 expansion programme. This is a broad managerial role, with a strong personnel content (staff and small labour force) and considerable liaison with the motor industry.

Candidates (of either sex) should be aged 40-50 with experience in a volume engineering environment, preferably motor (or components). A numerate business background is required and an ex-personnel manager or purchasing specialist would be very relevant. Finance, marketing or specialised production experience is less appropriate. A recognised business or professional qualification is desirable. For a fuller job description write to John Courtis & Partners Ltd, Selection Consultants, 78 Wigmore Street, London, W1H 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 7102 FL.

JO&P

EXPERIENCED SECRETARY

Institutional partners of a small expanding firm of stockbrokers are looking for a competent secretary to co-ordinate business in the U.K. and Europe. Applicants would need to be experienced in: Typing research work. Operating telex. Organising mailing. Commercial French or German. This would be considered a senior appointment with an appropriate salary. Please telephone: 01-606 1721

APPOINTMENTS WANTED

Freelance Production Engineer Financial Controller

Recently arrived from South Africa having left a series of successful factories in clothing and textile printing industry in which I had a majority shareholding, employing 200 people. Can adapt to any industry. Remuneration only on results. Age 32. British passport. Telephone: 04378-501

INTERNATIONAL APPOINTMENTS

ENGINEERS REQUIRED NIGERIA

A fast-growing dynamic corporation in Nigeria engaged in energy engineering and construction requires engineers for their permanent staff to assist in the construction of petrochemical complexes, tank farms, electric transmission projects, etc. throughout Nigeria.

- MECHANICAL ENGINEERS: B.Sc. and Chartered Engineers preferred, with experience of West Africa or developing countries.
ELECTRICAL ENGINEERS: B.Sc. and Chartered Engineers with experience in power transmission and petrochemical experience; West African work history useful.
CIVIL ENGINEERS: B.Sc. and Chartered Engineers preferred with experience in petrochemical and energy projects; West African experience an asset.

Generous salaries, good benefits and a pleasant working environment for creative and hard-working, responsible engineers. Please reply with full information. In confidence, to: MULTIREES LTD, 1 Christchurch Terrace, London SW3 4AJ.



Compensation trading

DAVY INTERNATIONAL is a leading international countertrade and product buy back arrangements. An executive is required who is experienced in the handling of these arrangements and in acting as broker in placing a wide range of products both chemical and mechanical. Applications should be addressed to: L.C. Watson, Davy International Projects Ltd, 15 Portland Place, London W1A 4DD. Telephone: 011 657 5504

CONTRACTS AND TENDERS

REPUBLIC OF LIBERIA

LIBERIA ELECTRICITY CORPORATION BUSHROD POWERPLANT EXTENSION

Invitation to Prequalification of Prospective Tenderers

The Liberia Electricity Corporation (LEC) will undertake an extension of its Bushrod Power Plant near Monrovia. The extension will consist of 27 MW in diesel electric capacity delivered by two low speed diesel engine driven generators each of 13.5 MW, with a third generating unit of same capacity as an option. Three separate contracts are contemplated.

Contract No. 1 - Civil Works: The construction of a powerhouse to accommodate three diesel generator sets. The superstructure of the powerhouse will be a steel structure. The foundations for the powerhouse and the units for transport, installation and commissioning of a 50-ton powerhouse travelling crane. The approximate overall volume of the powerhouse is 30,000 m³. The construction of a pump house located in the harbour, about 1,500 metres from the powerhouse, also supported on piles. The approximate overall volume of the pump house is 5,000 m³. The supply and installation of closed circuit approximately 600 mm conduit from the pump house to the powerhouse for the cooling water system of the units. The supply and installation of two heavy fuel oil storage tanks. The construction of approaches and surrounding roads and earthworks.

Contract No. 2 - Mechanical Works: The supply, transport, installation and commissioning of two 13.5 MW each, 1500 RPM, diesel engines designed for burning 3,500 S.R.100 F heavy fuel oil with appearances. The supply, transport, installation of and commissioning of pump house equipment.

Contract No. 3 - Electromechanical Works: The supply, transport, installation and commissioning of two low speed synchronous generators, appropriate static power electronic excitation systems, and two 18 MVA unit transformers 13.8/69 KV operation only and one suitable for 60 Hz or 50 Hz operation after appropriate modification. The supply, transport, installation and commissioning of a 69 KV switchgear and steel structure, control system, low voltage system, station battery, and emergency diesel electric unit.

The LEC has applied to the World Bank, the Arab Bank for Economic Development of Africa, the Kuwait Fund for Arab Economic Development and other international financing institutes for assistance in the financing of the subject project.

Contractors or manufacturers from any country accepted by the Kuwait Fund of Arab Economic Development and the Arab Bank for Economic Development of Africa are allowed to tender for Contract No. 2 while contractors or manufacturers from member countries of the World Bank and Switzerland may bid for contract No. 1 and 3. They are invited to apply for qualification for bidding by submitting a brief introduction of the company, giving particulars of their financial status and their own capacity and experience for the execution of the appropriate work. This information shall be submitted to the Engineer not later than November 30, 1977 in a specially prepared questionnaire, format which is available from the Engineer, whose address is given below, either together with the tender document or separately. Three copies of tender documents, contract documents and contract drawings for each contract will be available to prospective tenderers on November 7, 1977. These documents can be obtained from the Engineer by payment of US\$300.00 per contract. Only qualified tenderers will be permitted to submit tenders. LEC will specify the qualification prospective tenderers one month ahead of the tender submission date.

The sealed tenders of qualified tenderers shall be submitted by hand on February 2, 1978 before 9 a.m. local time to the office of the Managing Director of the LEC located in Providence Building, Monrovia, Liberia. Public opening of tenders will take place at 10 a.m. on the same day. Tenderers' representatives may attend. Tenders will be considered only if accompanied by appropriate bid bonds. LIBERIA ELECTRICITY CORPORATION Monrovia, Liberia

The Engineer is: Motor-Columbus Consulting Engineers Inc. 5401 Baden, Switzerland Telephone: 22 97 21 Telex: 54532-moco ch

ART GALLERIES

ROY MILLS GALLERY 4, Duff Street, St. James's, S.W.1

THE VICTORIAN ERA EXHIBITION Exhibition Now On

SOUTHVIEW Bldg, Gower St, Port St. Mary, London W1P 9JH. Tel: 01-224 2222

LEGAL NOTICES

No. 00330 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

No. 00331 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

No. 00341 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

No. 00342 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

No. 00344 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

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No. 00350 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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No. 00351 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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No. 00352 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE COMPANIES ACT 1967 and in the Matter of THE COMPANIES ACT 1967. NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 24th day of October 1977, presented to and read by the Registrar of Companies at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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G. KRIBORIAN, King's Beam House, 38-41, Mark Lane, London EC3R 7TE. Solicitor to the Petitioner.

Public Notices: CITY OF BRISTOL MITIGATION BOARD, HENTONWOOD POWERPLANT CONSTRUCTION, PLANT AND MACHINERY, GENERATORS.

مكاتب التحرير



Financial Times Friday November 4, 1977



FIBREGLASS PILKINGTON LIMITED BOMBAY

Record Turnover and Profits

Results for the year to 31st March 1977

Table with 2 columns: 1977, 1976. Rows include Turnover, Trading Profit, Net Profit before tax and after all charges, Earnings per share, Proposed Dividend per Share, Sterling/Rupee Conversion Rate = 15:2R.

The following points were made at the Annual General Meeting held in Bombay on the 13th September 1977 by the Chairman, Mr. T. E. Pappas...

- The year 1977 again been a successful one with record sales and profits in difficult circumstances.
• The benefits of high volumes of sales and production together with increases in factory efficiencies were reflected in the improved profits.
• Exports had doubled and progress here is expected to continue.
• Under the Foreign Exchange Regulations Act the Government has agreed that the Pilkington Group may continue to hold majority shareholding in FGP in view of the sophisticated nature of the Company's technology and subject to satisfactory export performance.

Fibreless Pilkington Limited is a subsidiary of the Pilkington Group with a substantial Indian institutional and public shareholding.

BIDS AND DEALS

Mr. Jessel calls for Doland Board changes

IN A FORCEFUL letter to shareholders of George Doland, Mr. Oliver Jessel thanks them for support in resisting the 25p per share from Maurice James and announces that he has put down a notice for changes in the Doland Board at a general meeting.

He writes that 450 members of Doland have returned the post-cards he sent them and so far shareholders representing 40.6 per cent. of the company's shares have shown support for his plan of resistance. He is now requiring the directors of Doland to convene a shareholders meeting and is proposing that two non-executive directors, Mr. Davis and Mr. Epstone, be removed.

One of the problems for shareholders in evaluating the forecast has been the difficulty of knowing what profit levels could reasonably be expected following the re-organisation of Doland. Under the Takeover Code, profit forecasts have to be checked over by auditors and in this case the Board has stated that too many uncertainties exist to make a forecast possible. But Mr. Jessel has managed to imply that profits are likely to rise by the use of an unusual ploy.

Mr. Jessel says the company spent approximately 25p per share on the re-organisation but the chairman "seems to resist the thought that this might yet produce a return for members." The essential issue, he says, is still: "Who will reap the benefits of the re-organisation?"

Inchcape in Middle East venture

To assist the industrial development of Saudi Arabia, a new company, MATSS-DAN, a division of Marine and Transportation Services (Saudi) (MATSS) has been formed and offers heavy transport facilities and transport of large projects throughout the Kingdom.

MATSS started operating in May, 1977, a modern transport fleet in Saudi Arabia, and combines the resources of subsidiary Rahman Al Turki Contracting and Gray, Mackenzie and Co., which is a wholly owned subsidiary of Inchcape and Company, Dunfermline.

Bishopsgate Prop. sells C & D stake

Sir Robert McAlpine and Sons has acquired a 22 per cent stake in property developers, County and District Properties. The stake was sold by the hard-pressed Bishopsgate Property and General Investments whose chairman, Mr. Henry Sporborg, said at the last AGM, "We are simply surviving day by day."

The sale, which produced £1.5m, for Bishopsgate, was part of the progressive programme of selling quoted investments to raise cash to meet interest payments on the company's £11.6m. Deutschmark loan. Bishopsgate's only remaining quoted investment is a 5.2 per cent holding in Berkeley Hazbro.

The chairman of County and District, Mr. L. W. Melville, together with Mr. E. Melville and their family trusts, also sold 12m shares yesterday.

The share, have been placed with institutional investors. The Melville family interests still remain a 41.6 per cent stake in County and District following the sale.

Dollar Land U.S. sale completed

In accordance with the judgment given in New York on September 28 in relation to the contract for the sale of subsidiaries of Dollar Land Holdings of its three U.S. properties, completion of the sale took place on November 2. The abated purchase price after adjusting for restitution is \$23.5m. Of this some \$3.7m. comes to the vendor companies. The remainder is represented by the assumption of the mortgages by the buyer.

The \$3.7m. has been received in the form of a five year purchase-money mortgage and is subject to adjustments which can substantially reduce the net proceeds of sale.

The English company and the Canadian subsidiary are seeking compensation from the shareholders who sought to have the contract declared invalid. The group retains the Montreal property which produces net revenue of \$235,000 per annum. In his circular to shareholders dated October 26, 1977 the Chairman stated: "It is fair to say that what has occurred in the last year represents a significant advantage in the search for a solution of the troubles of the Group. It would be quite wrong, however, to claim that the present situation represents more than a stage from which further progress must be sought."

HALLITE EXTENDS IN CANADA

Hallite Holdings has established a wholly-owned Canadian subsidiary known as Hallite Minns. This subsidiary has been set up to acquire the goodwill and stock of the existing Canadian distributorship for Hallite products presently conducted by G. A. Minns and to promote the distribution and sale of Hallite Group products in Canada on a nationwide basis.

The consideration for the goodwill will be \$110,000 satisfied partly by a payment of \$569,987 by Hallite Minns and as to the balance by the issue of 20,000 Ordinary shares by Hallite Holdings.

A further payment for goodwill will be made in 1978-80 and which will be based on the profits before tax of Hallite Minns. This payment is based on a sliding scale but it is estimated that it will be about \$350,000.

Mitchell Cotts Transport Ltd

- \* Commercial Vehicle Contract Hire
\* Warehousing
\* Cold Storage
\* General Haulage

RESULTS AT A GLANCE. Table with 2 columns: 1977, 1976. Rows include Profit before Interest and Taxation, Profit before Taxation, Funds Employed, Earnings per Share, Dividends, Interim - paid 22nd April 1977, Final - payable 12th December 1977, Total for the year, Related to credit, Gross equivalent, Dividend Cover.

Mitchell Cotts Transport Limited, Cotts House, Camomile Street, London EC3A 7BJ. Tel: 01-283 1234. For a copy of the Annual Report and Accounts please telephone the Secretary.

Walter Lawrence expansion

Walter Lawrence, the building company, is continuing a policy of diversification with the purchase of a light engineering operation for £1.4m.

The acquisition of Latham and Owen, which makes hand tools, both for industrial and DIY markets, it also serves the automobile industry with tools and presses and manufactures cutlery.

In the last annual report, Mr. J. Pritchard, chairman of Lawrence said that the engineering division "continued to suffer from being a small-scale operation having relatively high overheads, with a restricted market and manufacturing facilities."

Earlier this year, Lawrence began building up the engineering side with the acquisition of Nico Engineering for £150,000. Latham and Owen represents a major move, the net tangible assets amounted to £394,000 at December 31, 1976 and the professional property valuation was through up a £336,000 surplus on book values. The pre-tax profits in 1976 were £382,000 and the directors have warranted that they will be not less than £450,000 in the current year.

The existing Board will remain with various additions.

completion is scheduled to take place on November 1. The company is a subsidiary of Monroque L. Meyer, and the consideration payable in cash will be £300,000 plus the agreed value of stock in trade.

EXPANSION AT CARR'S MILLING

Carr's Milling Industries has concluded arrangements to buy Thomas Edmondson of Penrith. Mr. Ian Carr, chairman of Carr's Mill, stated that the business of Edmondson would continue as the present and operate under the name of Carr's Milling Industries.

Mr. Carr said that the recent establishment of Oliver and Snowdon in new premises in Rosehill, Carlisle, its appointment as John Deere dealers and now the development in Penrith were three important steps in a programme of expansion which will put Oliver and Snowdon in a position to compete for a larger share of the total agricultural supply business throughout the north of England.

SHARE STAKES

Eagle Star Insurance has acquired a 10.28 per cent stake in Greenbank Industrial Holdings by buying just over 1m shares from a former managing director of the company, Mr. J. D. Whitaker. Mr. Whitaker, who retired last year, still holds 18.66 per cent of the equity.

Elbar Industrial - Tanganyika Concessions has bought 12,500 shares in the total holding 1,330,000 shares (54.3 per cent).

BANK RETURN

Table with 2 columns: £, £. Rows include BANKING DEPARTMENT, LIABILITIES, ASSETS.

ISSUE DEPARTMENT

Table with 2 columns: £, £. Rows include LIABILITIES, ASSETS.

WELSH BACKING FOR L. RYAN

Welsh Development Agency is backing the reorganisation of R. Ryan Holdings. The Agency is acquiring 25 per cent. of the company's increased equity at a cost of £200,000 and supplying a medium-term loan of £200,000. The funds will strengthen the capital base in readiness for the company's impending emergence from receivership and enable the company to open up fresh coal development sites for its future development.

REBROOK TRUST PURCHASE

Rebroom Investment Trust announces that terms have been agreed whereby it will acquire the capital of Leslie, a private investment company. The agreement is conditional upon the approval of the shareholders. Leslie has an issued capital of £200,000 Ordinary shares of 25p each. Its assets consists of about £105,000 cash (approximately 25p per share). Since its incorporation it has not carried on any activity.

ASSOCIATES DEALS

N. M. Rothschild and Sons purchased on behalf of Northern Combustion a further £350,000 Ordinary shares in Inter-Industries (Holdings) Ltd. forming part of the shareholders' merchant division and

REB SALE TO M. L. MEYER

Web International announces that contracts have been exchanged for the sale of Douglas & Burslem, Crewe and Congleton, forming part of the shareholders' merchant division and

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST LIMITED

31st October 1977, 37 Broad Street, Jersey

Half-Yearly Statement

The unaudited accounts of the company as at 30th June, 1977 show the following results:

Table with 2 columns: 1977, 1976. Rows include Gross Revenue of the Company was, Management and other expenses absorbed, Provision for Jersey Taxation, Balance carried forward.

The subsidiary company earned net profits of £29,839 during the period. After deducting accumulated losses of £27,183, brought forward at 1st January, 1977, there is a net profit of £2,656 which is not included in the above statement.

The consolidated net assets of the Company attributable to the capital shareholders, including investments at market value on 30th June, 1977, amounted to £3,148,169 (1976 - £1,997,125), equivalent to £29,624p (1976 - 398.425p) per £1 Capital share.

Market values of foreign currency securities have been converted into sterling at 75% of the Investment Dollar Premium ruling at the date of valuation. Sava & Propper (Jersey) Ltd. Secretaries.

Henry Butcher & Co incorporating Leopold Farmer & Sons

Henry Butcher & Co. are pleased to announce that the firm of Leopold Farmer & Sons has been integrated into their practice under the style and title shown above.

The resultant partnership with offices in London, Leeds and Birmingham, will continue to provide specialised service in the valuation and sale of

Industrial and Commercial Property, Plant and Machinery throughout the U.K. and Overseas

Head Office: 59/62, High Holborn, London WC1V 6EG. Tel: 01-405 8411. Other London Offices: 15, John Street, WC1N 2EB. Tel: 01-404 5871. 235, The Broadway, SW19 1SD. Tel: 01-543 1277. Northern Office: Provincial House, Albion Street, Leeds LS1 6HX. Tel: 0532 457356. Midland Office: 79/83, Colmore Row, Birmingham B3 2AP. Tel: 021-236 5736. Irish Associate in Dublin.

Interim Statement

At a meeting of the Court of Directors held on 1st November, the unaudited results for the six months ended 30th September, 1977 were considered. Based on historical accounting methods the group profit before taxation shows, at £20.4 million, an increase of £0.5 million when compared with the preceding half-year ended 31st March, 1977 and an increase of £7.9 million as compared with the corresponding half-year ended 30th September, 1976. These results meet with the expectations of the directors.

The consolidated statement of condition, taken in conjunction with the Profit and Loss account, shows that the return on total assets of 1.85% for the year ended 31st March, 1977, improved in the present half-year to 2.12%. The corresponding return for the half-year ended 30th September, 1976 was 1.53%.

The Court of Directors has decided to declare an interim dividend of 5p on the amount of Capital Stock as enlarged by the recent scrip issue and by conversion of loan stock. The interim dividend will be paid on or after the 19th December, 1977 to stockholders whose names appear on the register at close of business on 18th November, 1977.

In terms of historic accounting, the results may be regarded as satisfactory. In real terms, having allowed for the effect of inflation on monetary assets, there was an increase in the net worth of the Bank during the period under review.

Whilst a continuance of the current levels of interest rates could result in the historic profits for the half-year to 31st March, 1978 being lower than those of the half-year just completed, in the absence of unforeseen adverse circumstances the Directors are confident that the overall results for the year should exceed those for the year to 31st March, 1977. More importantly, in terms of real profits, the results for the year to 31st March, 1978 are likely to be materially better than those for the preceding year.

LOWER BAGGOT STREET, DUBLIN 2 1st NOVEMBER, 1977 WILLIAM FINLAY GOVERNOR.

Consolidated Profit and Loss Account for the six months ended 30th September, 1977 (unaudited)

Table with 3 columns: 30 Sept. 77, 31 Mar. 77, 30 Sept. 76. Rows include Operating Profit, Additional provision against advances, Profit before Taxation, Profit after Taxation, Profit attributable to Stockholders of the Bank, Retained Profit, Earnings per £1 of Capital Stock.

Consolidated Statement of Condition as at 30th September, 1977

Table with 3 columns: 30 Sept. 77, 31 Mar. 77, 30 Sept. 76. Rows include Stockholders' Funds, Loan Stocks, Minority Interests, Other Liabilities, Liquid Assets, Investments, Advances to Customers, Items in Transit, Other Assets.

Burns-Anderson Limited Industrial Holding Group. Subsidiaries in motor vehicle distribution, shop and bank fitting, steel bar reinforcement, property and building development, electrical appliance distribution.

Bank of Ireland logo and name.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

Price Waterhouse suit

BY JOHN WYLES

PRICE WATERHOUSE and aspects of the International Bank Company has resigned as public accountants for Foster Wheeler Corporation...

The suit has been filed in New York by International Bank, a Washington-based financial holding company...

Price Waterhouse said today that although it did not agree with the SEC it had resigned in the "best interests of the client."

Pooling for petrochemicals

MONSANTO, one of the leading U.S. chemical companies, is seeking another partner to replace joint forces with Continental Oil...

This is the latest in a series of moves by leading chemical and oil companies to pool their resources in the construction of new petrochemical complexes...

The agreement signed in St. Louis by the two companies allows for the joint manufacture of ethylene and related products near Alvin, Texas...

The announcement comes at a time when Du Pont, the leading

Table with 4 columns: DI GIORGIO, PENNZOIL CO., IC INDUSTRIES, and various financial metrics like Revenue, Net profits, etc.

NEW YORK, Nov. 3.

Mercantile's 1976 accounts and for the previous years from 1974 which had originally been certified as generally accepted accounting principles.

International Bank announced last May that it was liquidating Mercantile of Freeport, having set up a \$7.5m. loss reserve, it charged \$8.7m. this against its 1976 earnings which resulted in an overall half-million dollar loss for International Bank.

The balancing one-third interest in Mercantile Bank was held by Mr. Gordon Mosvold, a member of the Norwegian shipping family, with substantial interests in the Bahamas.

International Bank's interests encompass life insurance and marine services—one of its subsidiaries, administrators and supervises the Liberian flag shipping regulations covering the world's largest flag-of-convenience fleet.

Shortly after this investigation, Price Waterhouse then withdrew its approval for Mercantile's 1976 accounts and for the previous years from 1974 which had originally been certified as generally accepted accounting principles.

ing unit adjacent to the present Chocolate Bayou ethylene and co-product plant with more than double the facility's current capacity to about 3.8m. tons of petrochemicals a year.

Construction of a manufacturing unit adjacent to the present Chocolate Bayou ethylene and co-product plant with more than double the facility's current capacity to about 3.8m. tons of petrochemicals a year.

Banque Lambert progress

By David Buchan

BRUSSELS, Nov. 3. BANQUE BRUXELLES Lambert has announced an increase in its balance sheet total at end September of 11.8 per cent.

The loss would have been higher but for an income of Kr.39.8m. from the sale of ships. The management anticipates no improvement in performance during the final four months.

This indicates a loss on the shipping company of around Kr.70m. this year. The company would have used up its reserves and some two-thirds of its share capital.

Malmros is largely a family concern operating tankers and bulkers. It has withdrawn an application for a Kr.80m. state loan guarantee, which it submitted earlier this year.

The Government Ministry of Communications has been suggested that Malmros could be eligible for a "conditional loan."

ing unit adjacent to the present Chocolate Bayou ethylene and co-product plant with more than double the facility's current capacity to about 3.8m. tons of petrochemicals a year.

Construction of a manufacturing unit adjacent to the present Chocolate Bayou ethylene and co-product plant with more than double the facility's current capacity to about 3.8m. tons of petrochemicals a year.

NORDIC NEWS

Malmros seeks Government aid

BY WILLIAM DULLFORCE

MALMROS, THE southern Swedish shipping concern, is seeking Government help to avoid liquidation.

Malmros owns the Frigoscandia cold-storage business, which operates a chain of cold stores in the U.K. and on the Continent.

Several foreign companies are understood to have shown interest recently in buying Frigoscandia, but the Malmros family is resisting strongly the sale of this profitable operation.

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STOCKHOLM, Nov. 3.

Mr. Erlend Wessén estimated that a full Kr.1.5bn.-Kr.2bn. would be needed from State funds to cover the losses in the following 10 years to the end of 1980.

Mr. Nils Aasling, the Minister of Industry, commented that the Government had announced a Kr.1.4bn. support package including credit guarantees.

Further cuts in Swedish building capacity were the able and another major yard addition to the Erikssberg yard in Gothenburg.

Under the earlier program Swedish shipbuilding capacity was to be cut by 30 per cent in 1980, resulting in the loss of some 6,000 jobs.

Overall traffic increased 7 per cent to 2,216m. revenue kilometres. Production of scheduled services amounted to 2,246m. available ton-kilometres up 6 per cent.

AMERICAN STANDARD Third Quarter 1977 Revenue 429.7m. Net profits 21.3m. Net per share 1.47

DOMINION BRIDGE Nine Months 1977 Revenue 416.0m. Net profits 27.1m. Net per share 2.55

HALLIBURTON CO. Third Quarter 1977 Revenue 1,400m. Net profits 103.1m. Net per share 1.78

SCANDINAVIAN AIRLINES (SAS) reports that overall traffic in the third quarter was slightly less than 98 per cent, and on-route service anticipated during the financial year.

SAS expects Kr.90m. profit

BY JOHN WALKER

STOCKHOLM, Nov. 3. The overall cabin factor improved to 84.9 per cent, the previous year the load factor improved to 54.3 per cent.

Major traffic growth was noted in the trans-Asian express route to Bangkok, South East Asia, and on-route service to East Africa, up 4 per cent.

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Svenska Varv wants Kr.1bn.

SVENSKA VARV, the new State shipbuilding company embracing six yards, today informed the Government that it would need a state grant of Kr.1.2bn. to cover its losses for 1977.

Some Kr.600m. of the losses are attributable to the effect of the devaluation of the krona on the yards' foreign debts and other exchange losses, while the remainder stems from defaulting customers.

Kymi Kymmene sales 'unsatisfactory'

BY LANCE KEYWORTH

KYMI-KYMMENE's sales in January-August 1977 increased by 15 per cent to F.Mk.518m. (about £107m. at the current exchange rate).

Turnover in the engineering division has contracted by 16 per cent and new orders have shrunk about 15 per cent after a decrease of nearly one-fifth in the last fiscal year.

The chemical division has done fairly well, with a 3 per cent increase in production and a 5 per cent rise in sales.

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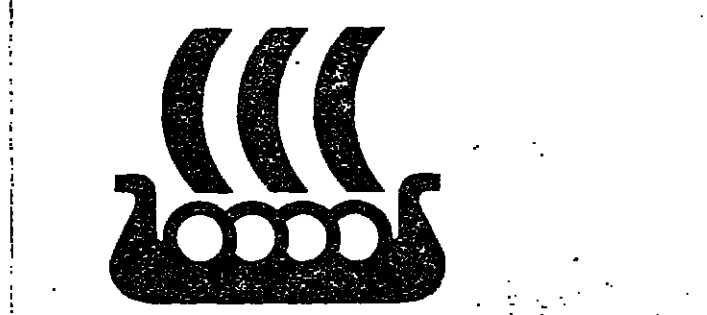
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Norsk Hydro 1976/77

A good year for light metals

It was resolved at the Annual General Meeting of Norsk Hydro a.s. held in Oslo on October 28, 1977 to pay a dividend of 12 per cent on both ordinary and preference shares.

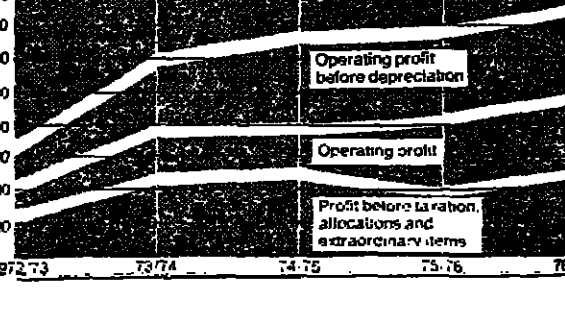
The following are the key points of the report of the Directors for the financial year ended June 30, 1977.

Financial Results The consolidated accounts for the financial year 1976/77 show an operating profit before depreciation of Nkr. 772m compared with Nkr. 650m for the year 1975/76.

Developments in the world economy affected trading conditions for the company's various product groups in different ways. Internationally, there was overcapacity for fertilizers and petrochemical products.

Operations 1976/77 Fertilizers continue to be the largest sector in the company measured in terms of turnover and the number of people employed.

Our other light metal, magnesium, which the company has now been making for 25 years, also had a good year.



Copies of the Annual Report can be obtained from Norsk Hydro (U.K.) Limited, Concord House, The Centre, High Street, Feltham, Middlesex.

World consumption of PVC which declined after the oil crisis has risen during the financial year to the previous record level and consumption is expected to continue to increase in the years to come.

The working environment in the PVC plant now meets the most stringent international pollution limits, a result which has been achieved in close co-operation with our employees.

At Raufnes in Bamble the three new petrochemical facilities for the production of ethylene, chlorine and vinyl chloride will come into operation in 1977/78.

Oil activities Sales income from oil activities is now substantial but the net result is still strongly influenced by the high cost of establishing and developing these activities.

After the gas pipeline from Ekolisk to Emden was opened in September 1977, oil and gas production is now gradually being stepped up.

The Frigg field extends over both the British and Norwegian sides of the median line in the North Sea, and after lengthy studies to clarify the division of the reserves between the two countries, an independent expert has now pronounced that a good 60 per cent lies on the Norwegian side.

External borrowings have led to a considerable increase in interest charges, but as production from the North Sea rises, it is expected that improved self-financing will make possible a fairly rapid repayment of loans.

Bygdey alle 2, Oslo 2 Norway

EUROBONDS

Dollar sector weaker

By Mary Campbell

THE DOLLAR sector was weaker again yesterday, but although prices continued to fall, turnover was also reportedly down considerably.

The behaviour of the London Stock Exchange ensured further falls in British convertibles—ICI was down to about 88 7/8 at one point, with Bahotec and Wilcox only slightly higher.

However, those issues ended the day a bit off the bottom with some buying interest coming in with an after-close rise.

Bank Leu to float loan BANK LEU AG, the smallest of Switzerland's "big five" commercial banks, is later this month to float a loan of Sw.Fr.40m. with a 12-year maturity.

The new certificates will be offered to existing shareholders and holders of participation certificates in the period December 1 to 12, two existing shares of Sw.Fr.500 nominal value each of an existing participation certificate entitling holders to the purchase of one new participation certificate at a price of Sw.Fr.400.

Paris approves companies Bill THE FRENCH Government yesterday approved a draft Bill designed to prevent enterprises in difficulty from going bankrupt, reports AP-D from Paris.

It involves a reform of current regulations governing corporate failures which do not take sufficiently into account the social and economic impact according to a communiqué issued after a regular Cabinet meeting.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

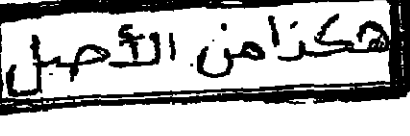
World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as of Wednesday, November 2, 1977. These exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources.

Bank of America Eurodollar Libor as of November 3 at 11.00 a.m. 3 months 7 1/2 6 months 7 1/2

Table with 4 columns: Country, Currency, Value of DLR, and various exchange rates for countries like Afghanistan, Albania, Algeria, etc.

For further information please contact your local branch of the Bank of America.





INTERNATIONAL FINANCIAL AND COMPANY NEWS

aid Loan demand in S. Africa currently exceeds R100m.

JOHANNESBURG, Nov. 3. A 15-year issue at an all-in rate of 15.25 per cent. and a 10-year issue at 14.75 per cent. are currently being marketed in the Johannesburg stock market...

Recovery at Saficon THE MOTOR GROUP Saficon Investments, which holds important Mercedes and Volkswagens...

23% rise at Yasar ANKARA, Nov. 3. TURKEY'S YASAR Holding Co. reported net consolidated profits for 1976 of 186m. Turkish Liras...

SCIENTIFIC BANKING MEETING Little progress made THE WORLD SCIENTIFIC Banking Meeting on international financing of economic development...

AMERICAN QUARTERLIES

Table with multiple columns showing financial data for various companies like PACIFIC FAR EAST LINE, HOUSEHOLD FIN. CORP., NEW YORK TIMES CO., etc.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table listing bond prices for various issuers including Australia, Canada, France, Germany, etc.

KLK plans to redeem debentures

KUALA LUMPUR, Nov. 3. The local Malaysian plantation giant, KLK, is to redeem 6m. ringgits of its 24m. ringgits Debenture Loan issued in 1975...

Bank loans up in Singapore SINGAPORE, Nov. 3. BANK LOANS and advances in Singapore rose Singapore \$1.4m. to Singapore\$9.9m. in the first nine months of 1977...

Unnamed bidder in \$A28m. offer for Cuming Smith

SYDNEY, Nov. 3. CUMING SMITH AND CO., the investment company expects to receive a \$A28m. take-over bid on November 7...

Good response for Tunisia

TWO Maghreb countries, Tunisia and Morocco, are raising at least \$450m. on the Euro-markets at present...

Tasmanian expansion by APPM

SYDNEY, Nov. 3. ASSOCIATED PULP and Paper Mills, manufacturers of fine papers, is going ahead with a \$A30m. expansion of its mill at Burnie in Tasmania...

Hardie profit rises 11%

JAMES HARDIE Asbestos lifted profit 11.3 per cent. to \$A6.75m. in the June half year...

ARAB PETROLEUM INVESTMENTS CORPORATION. An inter-Arab, joint-stock corporation, established with the primary objective of financing Arab petroleum projects and industries... Includes Balance Sheet and Profit and Loss Account for 1976.



# What went wrong at Federated Chemical Holdings

FEDERATED CHEMICAL Holdings, the international merchanting group, is dead as a concept. It is still trading profitably, but the grand corporate plan lies in ruins. Mr. Len Dowsett, the former chief executive has resigned, interim profits are well down, and the group has almost completed the sale of its vital manufacturing side.

## The demise of a grand design

BY CHRISTOPHER DUNN

Discussions have taken place with an unknown bidder. Three years ago, the company was launched as a major force with a grand design in the international chemical industry. Federated started off with a solid capital base, the experienced management and a foothold in important world markets. What happened?

The company was created in mid-1974 through a merger between Greeff Chemicals and Chemical Securities, two small, rich companies with trading interests and big share portfolios which could be sold off to raise cash.

### Build up

Greeff's traditional business was distributing to the rubber and paint industries, but it also had a 13 per cent. stake in Tioxide, the biggest manufacturer in the U.K. of titanium dioxide, a vital ingredient for paint, inks and plastics. Greeff also held a low yielding holding in 3M United Kingdom. In mid-1974, the stocks were worth some £8m. Greeff made about £0.5m. a year including £0.1m. from trading.

Chemical Securities was a quoted company, created initially to house the personal and family stake in Croda International of its founder, Sir Frederick Wood, the present Croda chairman. By 1974, the value of Chemical Securities stake in Croda was worth over £2m. There was also a trading side, Kingsley and Keith, which made about £0.3m. a year.

The plan was to sell the share stakes and use the cash to build up a manufacturing presence. The new companies acquired would initially be loss-making, but cash flow from the highly profitable merchanting side would help tide the new interests over start-up difficulties.

Building up a manufacturing side at Federated would help

even out cyclical swings in profit in merchanting and also give it a measure of independence. Merchanting—the selling and distribution of chemicals—is always hamstrung by the arithmetic of success. The overseas supplier is tempted to set up his own operation.

The 13 per cent. Tioxide holding was also critical to the plan. Tioxide was highly profitable so its contributions, equity accounted, would help Federated's profits.

But the Tioxide stake also meant that Federated Chemicals could join up with the big boys in a major world market.

Tioxide is also owned in part by ICI and Lead Industries. They each have a 43.5 per cent. stake, which dwarfs the 13 per cent. Federated Chemical holding. Accordingly the stakes in 3M and Croda were sold in early 1975, and the disposals raised just over £3m. After repaying outstanding loans to bankers, the group set out to develop its manufacturing side.

Federated made manufacturing acquisitions, revitalised those industrial parts of the two companies which had been dormant, and started rationalising throughout the operation. It bought 74 per cent. of Clonmel Chemicals—an Irish pharmaceutical company—for shares. Microfine Minerals from Reed Paper and 49 per cent. of MP United Drug, a calcium chloride producer. It reopened a plant at Superfine Chalks, and pushed two plastics manufacturing operations at Kingsley and Keith together to form K&K Plastics. Federated also bought a Dutch trading company, and set up a trading agency in the Middle East. The investments were worth about £1.6m.

All this was done at a time when the world chemical industry was operating at far lower than predicted levels. But as

brokers Hedderwick Stirling said, "the management decided that the current worldwide economic malaise presented a good opportunity to begin the build-up of the group."

Roughly three years later, Federated is completing the sale of most of these interests. The annual reports describe how the plan fell to pieces.

In 1975, manufacturing activities "had a bad year." Sales volumes at Microfine were "inadequate" and more losses were budgeted for in 1976. Clonmel was making continued losses and required the management to "take urgent action."

K&K Plastics was "unprofitable."

### Run down

The management described 1975 as a year "when the group suffered from the coincidence of very difficult market conditions, with the high set-up costs and initial losses arising from new ventures." But worse was to come. In 1976, Clonmel had "another very bad year," and K&K Plastics had a "poor" year. By now the management was willing to call it a day. In general, the diversification into manufacturing had resulted in losses, which in turn had required "an excessive diversion of management and financial resources."

It started selling off the manufacturing side, starting with SOAB—a very profitable disposal. Three weeks ago the company announced that it had more or less succeeded in disposing of Clonmel and negotiations to sell Microfine were proceeding.

Mr. John Sparrow, Federated chairman from Morgan Grenfell, merchant bankers, blamed lack of cash for the failure of the manufacturing side. "We could only put about £1m. into manufacturing when we should

have pumped in about £10m. An investment of £10m. acquires a momentum of its own, but £1m. needs too much attention."

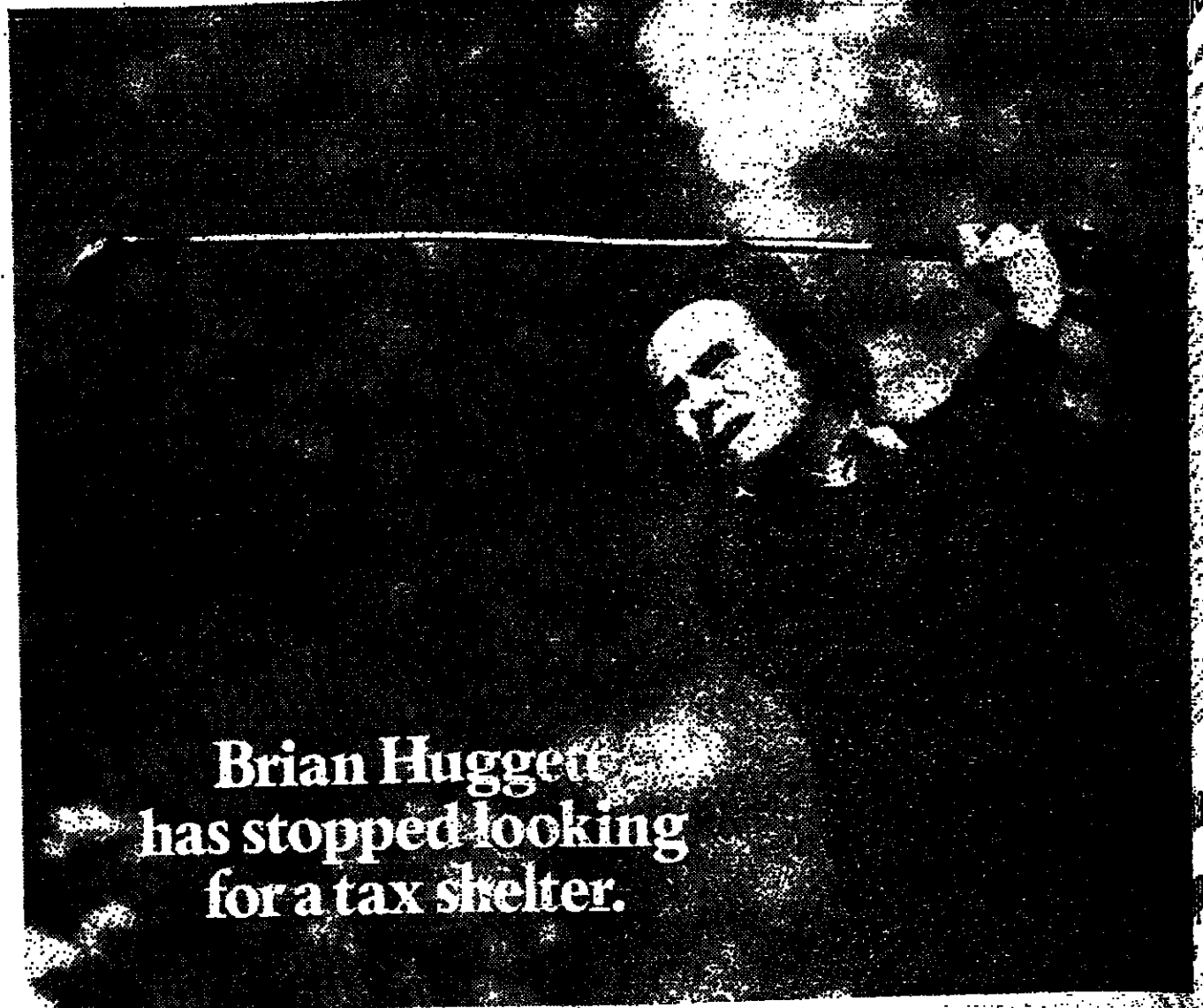
As the manufacturing side sagged, this put a strain on the merchanting part of the business, which had done extremely well in very difficult conditions. In 1976, for example, trading turnover rose by just less than 50 per cent. and profits practically trebled as new markets were opened up based on supplies from China and Hungary, but merchanting working capital requirements rose accordingly.

Increasingly the Board began to take the view that a rethink of the whole strategy was necessary. Instead of a vertically integrated and interlocking operation, it now seemed essential for both manufacturing and merchanting to be self-supporting.

"We were always fairly cautious about the paper logic of a vertical integration from the start," John Sparrow added, explaining that without such caution the process of disengagement would have taken longer.

Developments at Tioxide also hastened the need to revise the overall strategy, destroying in the process the symmetry of the original grand design. Technical developments in the titanium dioxide market meant that Tioxide started to prepare for a major programme of capital investment to keep its leading slot in world rankings. This heralded some kind of cash call on shareholders, which may take place at any time over the next few years. But Federated debt was already rising sharply. Since Federated was—and still is—determined to subscribe in full to any rights issue, this meant it could not support the continued drain on resources from manufacturing as well. Effectively the manufacturing side was starved of fixed capital investment as a result.

Federated will undoubtedly prosper in future as a merchanting operation. But the destruction of its corporate strategy, brought about by a combination of lack of capital, uncertain world markets and competitive pressures, means that its ambitions in future will be far more modest.



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He was impressed. He liked the idea of being able to accumulate tax-free capital, getting tax relief on

his contributions, and then being able to choose the best time to cash-in.

To increase further the investment potential both plans have been designed for maximum flexibility. Allowing the investor to choose how his investment will be spread among the five Equity & Law investment funds.

If you consider all this, plus the 133 years of experience and expertise Equity & Law have in managing money to the benefit of their policy-

holders you'll begin to understand Brian's enthusiasm.

For full details of these investment plans we suggest you speak to your professional adviser. Or, if you prefer contact us direct at any one of our branches throughout the country.

**Equity & Law**



Equity & Law Life Assurance Society Ltd., 20 Lincoln's Inn Fields, London WC2A 3ES.

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This announcement appears as a matter of record only.



## Keppel Shipyard Limited

U.S.\$15,000,000

8 5/8 per cent. Bonds 1984

- Daiwa Securities Co. Ltd.
- The Development Bank of Singapore Limited
- Citicorp International Group
- DBS-Daiwa Securities International Limited
- First Chicago Asia Merchant Bank Limited
- Jardine Fleming & Company Limited
- Kuhn, Loeb & Co. Asia
- Morgan Grenfell (Asia) Limited
- Oversea-Chinese Banking Corporation Limited
- Salomon Brothers International Limited
- Sumitomo & East Asia Limited
- United Overseas Bank Limited, Singapore
- Wardley Limited

- Post Office Savings Bank of Singapore
- ABN Finance Limited
- Amex Bancam Limited
- Asia Pacific Capital Corporation Limited
- ASIA-Asian International Acceptances & Capital Ltd.
- Bache Halsey Stuart Asia Pacific Ltd.
- BT Asia Limited
- The Commercial Bank of Hong Kong Ltd.
- Fuji International Finance Limited
- Inter-Alpha Asia (Singapore) Limited
- Lewis & Peat Merchant Bank Limited
- Mitsubishi International Finance Ltd.
- New Japan Securities International (H.K.) Ltd.
- Nomura International (Hong Kong) Ltd.
- Pan Asian Finance Limited
- Singapore-Japan Merchant Bank Limited
- Taiyo-Kobe Finance Hong Kong Ltd.
- Trade Development Bank, London Branch
- Vickers, da Costa International Ltd.
- Arab-Malaysian Development Bank (Berhad)
- Bancom International Limited
- Bumiputra Merchant Bankers (Berhad)
- Hambro Pacific Limited
- Kidder, Peabody & Co. Limited
- LTCB-Asia Ltd.
- Morgan Guaranty & Partners Limited
- The Nikko Securities Co., (Asia) Ltd.
- Okasan International (Asia) Limited
- J.M. Sasson & Co. (Pte) Ltd.
- Singapore Nomura Merchant Banking Limited
- Takugin International (Asia) Limited
- Trident International Finance Limited
- Wako International (Hong Kong) Ltd.
- ASEAM Capital Corporation Limited
- Asian and Euro-American Merchant Bank Limited
- Avala Finance (H.K.) Limited
- BCCI Finance International Limited
- Chase Manhattan Asia Limited
- Dresdner South East Asia Limited
- Indosuez Asia Limited
- Kyowa Finance (Hong Kong) Limited
- Manufacturers Hanover Asia Ltd.
- New Court Merchant Bankers Limited
- Nippon Kangyo Kakumaru (Asia) Limited
- Overseas Union Bank Ltd.
- Singapore International Merchant Bankers Limited
- Sun Hung Kai International Limited
- Tokai Finance (Asia) Ltd.
- United Chase Merchant Bankers Limited
- Yamajichi International (H.K.) Limited

October, 1977

مكزامن الاصل



# Airport security cost will be paid by travellers

**MICHAEL DONNIE, AEROSPACE CORRESPONDENT**

GOVERNMENT intends to ensure that the cost of providing security at airports is borne by passengers. The Bill will ensure that the cost of providing security at airports is borne by passengers. The Bill will ensure that the cost of providing security at airports is borne by passengers. The Bill will ensure that the cost of providing security at airports is borne by passengers.

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## Queen's Speech proposals

The Queen's Speech proposals include measures to improve airport security. The Queen's Speech proposals include measures to improve airport security. The Queen's Speech proposals include measures to improve airport security. The Queen's Speech proposals include measures to improve airport security.

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# Uncertainty about changes in company law provisions

**MARGARET REID**

SENTENCE in the Queen's Speech that "Legislation will be brought forward to amend the Companies Act 1947" has caused uncertainty about changes in company law provisions. SENTENCE in the Queen's Speech that "Legislation will be brought forward to amend the Companies Act 1947" has caused uncertainty about changes in company law provisions.

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# New Post Office chief defends workers' right to strike

**JOHN LLOYD AND ALAN PIKE**

GOVERNMENT'S proposal to enable Post Office workers to take normal industrial action without fear of criminal prosecution has been defended by the new Post Office chief. GOVERNMENT'S proposal to enable Post Office workers to take normal industrial action without fear of criminal prosecution has been defended by the new Post Office chief.

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# Aid for first-time house-buyers

**MICHAEL CASSELL, BUILDING CORRESPONDENT**

GOVERNMENT'S intention to provide a bonus of about £30 net to first-time house-buyers has been welcomed. GOVERNMENT'S intention to provide a bonus of about £30 net to first-time house-buyers has been welcomed.

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# Fresh measures aimed at reducing unemployment

**OUR LABOUR CORRESPONDENT**

Queen's Speech as expected, the Government's intention to reduce unemployment through manpower measures and the promotion of industrial training. Queen's Speech as expected, the Government's intention to reduce unemployment through manpower measures and the promotion of industrial training.

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## INTERIM RECOMMENDATIONS ON INFLATION ACCOUNTING

# Urgent need to indicate distortion caused by rapidly changing prices

BY MICHAEL LAFFERTY

INTERIM guidelines recommending that quoted companies should show the effects of inflation on their profits in their next published accounts are published today by the Accounting Standards Committee.

These guidelines replace earlier proposals of the Inflation Accounting Steering Group, chaired by Mr. Douglas Morphet, which were rejected in July by chartered accountants at a special meeting in London. The Morphet group, part Government-financed, is engaged in analysing the 700 written comments which were received on its proposals contained in exposure draft ED 18. It may also develop a longer-term solution to inflation accounting for consideration by the Accounting Standards Committee, but this is unlikely to appear for at least a year.

The interim guidelines call on companies to supplement their historic cost results with information in respect of: (a) the cost of sales adjustment; (b) the charge for depreciation on a current cost basis; and (c) an adjustment to take account of the effects of gearing.

The three adjustments, each to be shown separately in a "prominent statement," provide scope for flexibility and experimentation which, the committee says, is the keynote of the guidelines. Thus, the cost of sales and depreciation adjustments can be computed either by methods already developed by companies for showing current cost of sales or current cost depreciation, or simply by the use of appropriate indices.

Even with the controversial gearing adjustment, companies are not discouraged from following their own methods, providing these are disclosed in the accounts.

It is recommended that, wherever practicable, the supplementary statement should be prepared for accounting periods ending on or after December 31, 1977.

In its statement of intent published on July 27 the Accounting Standards Committee commented that it believed that (a) there is a wide recognition of the fact that the rapidly-changing price levels associated with inflation seriously distort results shown by accounts drawn up on the conventional historical cost basis, and (b) there is a wide recognition of the urgent need to indicate the extent of this distortion.

The Accounting Standards Committee went on to say: (1) that it had a continuing responsibility to propose to the Councils of the accountancy bodies, as soon as possible, an acceptable and workable system of price level accounting for promulgation as an accounting standard.

2. The Accounting Standards Committee went on to say: (1) that it had a continuing responsibility to propose to the Councils of the accountancy bodies, as soon as possible, an acceptable and workable system of price level accounting for promulgation as an accounting standard.

3. The Accounting Standards Committee recommends that the published financial statements of companies listed on the Stock Exchange should include a prominent separate statement showing the financial results as amended by the adjustments described below. Wherever practicable, it should be prepared in accordance with the interim guidelines.

Appendix 1. Example of the use of the averaging method for calculation of the cost of sales adjustment.

Historical cost data	£ 000
Opening stock	350
Add: Purchases	2,300
Deduct: Closing stock	2,450
Cost of sales (historical cost basis)	540
Index Numbers for cost of stock	
Beginning of year	100
End of year	120
Average for year	110
(1) Revised opening and closing stock to average current cost for the year	£ 000
Opening stock: 350 x 110 = 385	
Closing stock: 2,450 x 110 = 2,695	
Cost of sales (current cost basis)	2,110
(2) Compute current cost of sales using the revised amounts for opening and closing stock	£ 000
Opening stock	385
Add: Purchases	2,300
Deduct: Closing stock	2,485
Cost of sales (current cost basis)	2,190
(3) Calculate cost of sales adjustment	£ 000
Deduct: Cost of sales (historical cost basis)	540
Cost of sales adjustment	1,650

## Appendix 2. Illustration of the gearing adjustment

(1) Total liabilities of the business exceed its total monetary assets	£ 000
Summarised balance sheet, after adjustment for the difference between the current values and historical cost amounts for fixed assets and, if material, for stocks	700
Equity share capital and reserves	350
Long-term liabilities	400
Current liabilities	1,440
Fixed assets	600
Stocks	540
Monetary assets	1,140
(a) Calculate net balance of monetary liabilities	£ 000
Long-term liabilities	350
Current liabilities	400
Total liabilities	750
Deduct: Monetary assets	450
Net balance of monetary liabilities	300
(b) Calculate net balance of monetary liabilities plus the equity share capital and reserves	£ 000
Net balance of monetary liabilities	300
Add: Equity share capital and reserves	350
Net balance of monetary liabilities plus equity share capital and reserves	650
(c) Calculate gearing proportion	£ 000
Net balance of monetary liabilities	300
Divided by: Net balance of monetary liabilities plus equity share capital and reserves	650
Multiply by gearing proportion	40%
Depreciation adjustment	£ 000
Cost of sales adjustment	1,650
Multiply by gearing proportion	660
Gearing adjustment	264
(2) Total monetary assets of the business exceed its total liabilities	£ 000
In this case, the net balance of monetary assets should be calculated as shown in (1a) above. The adjustment should be calculated by multiplying the net balance of monetary assets by the percentage change in an appropriate index during the accounting year.	1,140
Accounting: For assets in the Republic of Ireland the index or indices used may be selected from those published by the Central Statistical Office of the Republic of Ireland. For assets in other countries, corresponding indices should be used where available. The Central Statistical Office booklet "Current Cost Accounting—Guide to price indices for Overseas Countries" is helpful in indicating the indices used in overseas countries. If suitable specific indices for overseas assets cannot be obtained, a general price index for the country concerned may be used.	
10. The method used to compute the depreciation adjustment should be disclosed in a brief note to the statement.	
(3) COST OF SALES	
11. Where the business has already developed appropriate methods of computing the current cost of sales it is recommended that such methods should be used for the purpose of computing the adjustment. For example, where accounting information is available from standard costing systems, or from past stock or last-in-first-out methods, it may be possible to compute the current cost of sales by using these methods. Where a more appropriate method cannot be developed and implemented in the time available it is recommended that, wherever possible, the cost of sales adjustment should be computed using the averaging method.	
12. Using the averaging method, the current cost of sales may be computed by revising the historical cost of opening and closing stock to the average current cost for the year by use of an appropriate index. An example of the averaging method is given in Appendix 1. The index or indices used for this calculation may be selected from the same sources as indicated for depreciation in paragraphs 8 and 9.	
13. Where progress payments are received from customers, the cost of sales adjustment should be computed on the amount of stock and work in progress after deduction of such payments. To avoid duplication, the progress payments deducted from stock and work in progress should be included from the calculation of the gearing adjustment.	
14. The method used to compute the cost of sales adjustment, and the indices employed, should be disclosed in a brief note to the statement.	
15. It is acknowledged that 495 some companies have already drawn up current cost statements including a gearing adjustment calculated by a method different from that described below and that others may be planning to do so. Recognising that circumstances will differ, such companies will not be discouraged from following their own methods providing these are disclosed in a note to the statement. The simple approach to the calculation of a gearing adjustment outlined below is recommended unless another method is preferred.	
16. Where the total liabilities of the business, including preference share capital, exceed its total monetary assets, a calculation should be made of the proportion of: (a) the net balance of monetary liabilities to the net balance of monetary liabilities plus the equity share capital and reserves. In computing the amount of reserves to be used in this calculation, the difference between the current values and historical cost amounts for fixed assets and, if material, for stocks, should be added to the reserves shown by the historical cost accounts.	
17. An amount equal to this proportion of the depreciation	

## PRESENTATION OF THE STATEMENT

22—A suggested format for the presentation of the statement is given in Appendix 3. For the first year for which the statement is prepared, corresponding amounts for the preceding year should be omitted if they cannot be obtained without an undue amount of work. In the statements for subsequent years, corresponding amounts should be shown.

23—Brief notes to the statement should disclose the method used to compute each adjustment and the indices employed.

COMMENTS ON THIS RECOMMENDATION

24—The Accounting Standards Committee will be grateful to receive comments as soon as practicable, particularly from preparers and users of accounts in which the proposals contained in this interim recommendation are implemented, to assist them in considering how the evolution of inflation accounting should proceed.

Inflation Accounting—an interim recommendation by the Accounting Standards Committee; Institute of Chartered Accountants in England and Wales; Moorgate Place, London, EC2: 5TP.

## Welcome from Council of Stock Exchange

THE Stock Exchange said: The Council of the Stock Exchange has supported the accountancy profession at each stage of its work in producing an accounting standard on inflation accounting in the belief that it is important that an acceptable and workable system of price level accounting be introduced. The council has urged listed companies to use the present period, before a definitive standard appears, to prepare themselves to provide the information to be included in current cost accounts. While the response to this has been good, it is clear that the period of experimentation will prove useful and the council therefore applauds the decision of the ASC to issue an interim recommendation. The recommendation provides for a supplementary statement to be issued with the annual accounts in which three adjustments are to be shown. The first two—the depreciation adjustment and the cost of sales adjustments—have twice been included in recommendations made by the chairman of the Stock Exchange in letters dated January 1978 and January 1977 to companies listed on the Stock Exchange. The third—the gearing adjustment—is, as the recommendation itself makes clear, less straightforward than the other two. Council considers, however, that the Accounting Standards Committee has chosen a sensible approach to this problem and welcomes the recommendation as a whole.

## Appendix 3. Suggested format for presentation of the statement

A Limited (a company with net monetary liabilities)

CURRENT COST STATEMENT

for the year ended 31st December 1977

Turnover	£ 000	2,900
Profit before taxation and interest as in historical cost accounts		395
Less: Adjustments		70
Depreciation		80
Cost of Sales		150
Operating profit		245
Interest payable less receivable		40
		205
Gearing adjustment		60
Adjusted profit before taxation and extraordinary items		265
Taxation*		90
Minority interests		175
Adjusted profit before extraordinary items		160
Extraordinary items (net of taxation and minority interests)		20
Adjusted profit attributable to the shareholders		140
Dividends		110
Adjusted retained profit		30

\*Companies may wish to take into account the proposals in Exposure Draft 19—Accounting for Deferred Taxation, in determining the taxation charge to be included in this statement.

Brief notes to this statement should disclose the method used to compute each adjustment and the indices employed. For companies with net monetary assets, the gearing adjustment should be replaced by the adjustment for net monetary assets.

## GLC proposals for aid

SMALL BUSINESSES in London port rapidly. Customs and excise should have a central organisation, run like a Housing Association, to find premises for them. Miss Shelagh Roberts, leader of the Greater London Council's planning and communications committee, said yesterday: "Such an organisation could act as developer and landlord, providing and managing accommodation needed by small businesses. This might be workshop accommodation with communal use of a showroom and conference room." The idea was to rejuvenate business all over London, not just in London's Dockland area. She criticised the current policy for granting industrial development permits in London. It should be overhauled because it did not go far enough to help small businesses. Other proposals by the GLC being considered by Mr. Harold Lever, Chancellor of the Duchy of Lancaster, who is running an investigation into Britain's small businesses, include setting up an American-style marketing advice centre and creating a customs-cleared zone near the Thames to help small exporters. Goods produced in the zone would be pushed through the problem.

## New bid to save Dudley Zoo

MR. JOHN MULVERHILL, chief executive of Dudley Council, said yesterday: "We have decided possible action including a merger, but we have not yet received an answer to the proposal." Mr. Mulverhill said the council was considering a bid to save Dudley Zoo, which is threatened with closure in December 4.



MR. WILLIAM HYDE

Chairman of the group which developed the recommendations. He is a cost and management accountant and chief accountant at Oxford University.

standards, but (ii) that recognition of the urgency of the need to show how accounts prepared on the historical cost basis are affected by inflation imposed a more immediate responsibility to give guidance, as an interim measure, on how information as to these effects should be provided in the published accounts of at least all listed companies.

2. This recommendation, which deals only with the profit and loss account, is published in order to give that interim guidance.

3. The Accounting Standards Committee recommends that the published financial statements of companies listed on the Stock Exchange should include a prominent separate statement showing the financial results as amended by the adjustments described below. Wherever practicable, it should be prepared in accordance with the interim guidelines.



OVERSEAS MARKETS + FOREIGN EXCHANGES £ falls sharply

Modest 1.8 rally on bargain hunting

BY OUR WALL STREET CORRESPONDENT

AFTER WEAKENING further at today's opening, Wall Street stock prices showed some recovery on bargain hunting...

Nations big three motor companies and major retail chains, closed yesterday on discounts...

Transports, Banks and Insurance were slightly higher against the general trend.

STERLING continued to retreat in the foreign exchange market yesterday, reflecting fears about the future of the Labour situation...

Table with columns for Gold, Silver, and various international currencies like the Australian Dollar, Canadian Dollar, etc.



OTHER MARKETS

Canada recovers Most sectors on Canadian Stock Market staged a modest recovery in slow trading yesterday.

AMSTERDAM - Market remained easier inclined in light trading. The weaker overnight trend on Wall Street and the delay in forming a new coalition cabinet in Holland depressed sentiment.

JOHANNESBURG - Golds were widely higher reflecting firmer Bullion markets. Gains ranged from 5 to 250 cents.

CURRENCY RATES

Table showing currency rates for various countries including Australia, Canada, Hong Kong, etc.

INDICES

Table for NEW YORK - DOW JONES indices showing various market indicators and their values.

ALL COMMON

Table for ALL COMMON indices showing market performance across different regions.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits and loans.

CROSS RATES

Table showing cross-rates between different currencies.

STANDARD AND POORS

Table for STANDARD AND POORS indices showing various market indicators.

INVESTMENT PREMIUM

Table showing investment premiums for various assets.

GERMANY

Table for GERMANY stock market indices and prices.

FORWARD RATES

Table showing forward rates for various currencies.

OVERSEAS SHARE INFORMATION

Large table containing share information for various international companies, including names, prices, and dividends.

Large advertisement on the right side of the page, featuring 'Rush sugar' and 'ECC' logos.



British icon ... H.M. Newton ...

Rush to sell depresses sugar market again

WORLD SUGAR prices fell to new four-year lows ...

EEC rebuffs grain sales attack

A RENEWED attack by Mr. Bob Bergland ...

No rigging of coffee market Exports alone can avert grain slump

By Our Commodities Staff INTERBRAS, the Brazilian State trading company ...

Heavy harvest For feed wheat and barley prices to-day average about £14 a tonne ...

Ivory Coast bans traders

MR. DENIS BRA KANON, Ivory Coast Agriculture Minister ...

Government offers farms cold comfort

BRITISH farmers will draw cold comfort from references in the Queen's speech ...

COMMODITY MARKET REPORTS AND PRICES. Includes sections for BASE METALS, COFFEE, SOYABEAN MEAL, SUGAR, GRAINS, SILVER, and WOOL FUTURES.

PRICE CHANGES. Table showing price movements for various commodities like Metals, Grains, and Oils.

INDEX LIMITED. Table with columns for various commodities and their respective index values.

CONSOLIDATED GOLD FIELDS LIMITED. Ordinary Shares. Proposed Rights Issue. Information regarding share offerings and company details.

U.S. Markets. Gold and coffee up; grains weak. Table showing market trends and prices for U.S. commodities.

COCAO. UNCHANGED. Information regarding cocoa market prices and trends.

Palm products boom forecast. MALAYSIA will produce about 700,000 tonnes of palm oil ...



STOCK EXCHANGE REPORT

Share index down 6.2 at 479.8—12½% off recent peak Further pressure on Gilts leaves three-day falls to 4⅓%

Account Dealing Dates... First Dealings Last Account... Stock markets put on another dismal performance yesterday in the continued absence of any worthwhile support because of the worrying labour market news...

story in the shorts, but final losses which extended to 11 were around 1 above the day's lowest... Decca issues weakened fresh in Electricals, both the Ordinary, 30p, and A, 40p, losing 20, GEC, at 38p, recovered an earlier fall of 4, while EMI closed 2 cheaper...

current first-half left Parker-Knoll A 6 lower at 106p, while the increased loss and absence of a final dividend caused Leamy Optical to drop 10 to 22p... Properties fall fresh... A further sizeable amount of stock came on offer in Properties...

General satisfaction over the outcome of Wednesday's International Monetary Fund gold auction prompted a 3p gain in the bullion price to \$194.575 per ounce... NEDO spur for managers... MANAGERS are being urged to use all their know-how and skill to reverse the decline of Britain's manufacturing industry...

Decca issues weakened fresh in Electricals, both the Ordinary, 30p, and A, 40p, losing 20, GEC, at 38p, recovered an earlier fall of 4, while EMI closed 2 cheaper... Hoover disappoint... Yet another household name disappointed the market yesterday when Hoover retreated in its third quarter figures...

Shipping FT-Actuaries Index... JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV 1977... The index shows a steady upward trend from around 400 in January to a peak of over 540 in July, followed by a decline to around 480 by November.

FINANCIAL TIMES STOCK INDEX table with columns for various stock categories and their values.

HIGHS AND LOWS table showing price ranges for various stock categories.

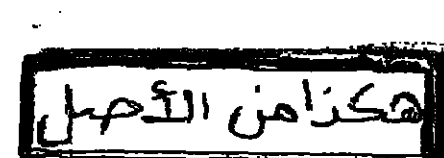
OPTIONS TRADED table listing various options and their trading details.

NEW HIGHS AND LOWS FOR 1977 table listing new high and low prices for various stocks.

ENTERTAINMENT GUIDE section listing various theatre productions, including Opera & Ballet, Theatres, and Recent Issues.

RECENT ISSUES and EQUITIES tables listing various stocks and their recent performance.

FT—ACTUARIES SHARE INDICES table listing various equity groups and their share indices.













Mizan al-Aman. Japan's leader in international securities and investment services. NOMURA The Nomura Securities Co., Ltd. NOMURA EUROPE N.V. LONDON OFFICE: Barber Surgeons Hall, Mark Lane, London, EC3R 7AF. Phone: (01) 609-3411, 6263

INDUSTRIALS - Continued. Table listing various industrial stocks such as Anglo American, British Petroleum, ICI, etc., with columns for stock price, high, low, and change.

INSURANCE - Continued. Table listing insurance companies like London & Lancashire, Royal Exchange, etc., with price and change information.

PROPERTY - Continued. Table listing property-related stocks and companies with their market data.

INV. TRUSTS - Continued. Table listing various investment trusts like Baring's Investment Trust, etc.

FINANCE, LAND - Continued. Table listing finance and land-related stocks and companies.

NOMURA The Nomura Securities Co., Ltd. Japan's leader in international securities and investment services.

MOTORS, AIRCRAFT TRADES. Motors and Cycles: BSA, Honda, etc. Commercial Vehicles: Ford, etc. Components: Various automotive parts.

SHIPBUILDERS, REPAIRERS. Table listing companies like Harland & Wolff, etc.

SHIPPING. Table listing shipping companies and their market data.

OILS. Table listing oil companies like Shell, Esso, etc.

MINES - Continued. CENTRAL AFRICAN. Table listing mining companies in Central Africa.

AUSTRALIAN. Table listing Australian mining companies.

MOTORS, AIRCRAFT TRADES (continued). Garages and Distributors: Various car and aircraft dealers.

SHOES AND LEATHER. Table listing shoe and leather goods companies.

SOUTH AFRICANS. Table listing South African companies.

OVERSEAS TRADERS. Table listing overseas trading companies.

TINS. Table listing tin-related companies.

COPPER. Table listing copper mining companies.

MISCELLANEOUS. Table listing various other companies.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

TEXTILES. Table listing textile companies.

TEXTILES (continued). Table listing more textile companies.

RUBBERS AND SISALS. Table listing rubber and sisal companies.

TEAS. Table listing tea companies.

PAPER, PRINTING ADVERTISING. Table listing paper, printing, and advertising companies.

PROPERTY. Table listing property companies.

TOBACCOS. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies.

NOTES. Information regarding interest rates and market movements.

MINES - Continued. Table listing more mining companies.

PROPERTY (continued). Table listing more property companies.

PROPERTY (continued). Table listing property companies.

TOBACCOS (continued). Table listing more tobacco companies.

TRUSTS, FINANCE, LAND (continued). Table listing more trusts, finance, and land companies.

TEAS (continued). Table listing more tea companies.

NOTES (continued). Information regarding interest rates and market movements.

REGIONAL MARKETS. Table listing regional market data.

PROPERTY (continued). Table listing property companies.

INSURANCE. Table listing insurance companies.

PROPERTY (continued). Table listing property companies.

FINANCE, LAND, etc. Table listing finance and land companies.

FINANCE. Table listing finance companies.

OPTIONS 3-month Call Rates. Table listing options and call rates.

INSURANCE (continued). Table listing insurance companies.

PROPERTY (continued). Table listing property companies.

PROPERTY (continued). Table listing property companies.

PROPERTY (continued). Table listing property companies.

DIAMOND AND PLATINUM. Table listing diamond and platinum companies.

REGIONAL MARKETS (continued). Table listing regional market data.





FT index companies back Hyde guidelines

BY OUR FINANCIAL STAFF

THREE-QUARTERS of the companies which make up the FT 30-share Industrial Index will probably follow the Hyde inflation accounting guidelines published by the Accounting Standards Committee today.

Table with 3 columns: Item, Hyde Accounts %, Traditional Accounts %

The third, the gearing adjustment, which allows companies with net borrowings to reduce the first two adjustments by the extent to which their total capital is opposed by many accountants and industrialists, not least because such a simple formula has theoretical shortcomings.

Barclays plans Grasshopper Unit Trust sale

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

UNITHOLDERS of the Grasshopper Property Unit Trust will be formally told next week of Barclays Bank's plans to sell the £14m fund.

Confidence over devolution Bills

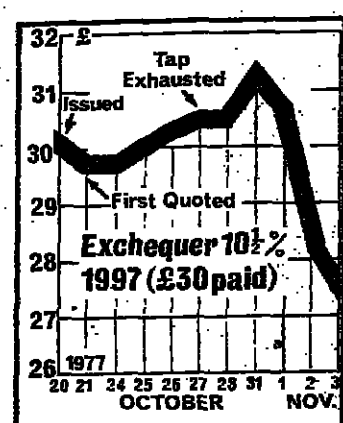
BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE GOVERNMENT is confident that by presenting separate Bills to establish assemblies for Scotland and Wales, it will get its legislation through all stages before the Commons rises for the summer recess at the end of July.

STERLING ROCKS THE MARKETS

THE LEX COLUMN

Index fell 6.2 to 479.8



The City's first taste of life with a freely floating exchange rate has not been quite what it expected. Within a couple of hours after lunch yesterday sterling fell by four cents and although nearly half of this was recouped by the close of dealing the pound was nevertheless devalued by one and a half per cent on a trade-weighted basis.

has risen by 162 per cent since last year compared with 65 per cent for the equity market as a whole.

Yesterday there were signs that some foreign holders, particularly in North America, had decided to realise part of their handsome profits in the gilt-edged market.

However, it is far too soon to extrapolate the movements of the last couple of days into any kind of trend.

Presumably there will be a seasonal pickup in the current quarter, and price rises of 5 per cent became effective in the U.K. on some products last month to follow similar increases in July.

Kwik Save's impressive growth record remains unaltered. Pre-tax profits of £8.8m, 1977 compare with £5.2m, but contracts in the gas and £3.8m in the two previous years and the current year should see profits of between £11-12m.

Linwood unions accept formula with working practices probe

BY ALAN PIKE, LABOUR CORRESPONDENT

AN "URGENT, in-depth examination" of working practices which limit productivity and efficiency at Chrysler's Linwood plant has agreed to accept a formula which ended the fortnight-long dispute there yesterday.

The craftsmen did not respond. There was consequently little for recalled production workers to do, and at Luton also the union workers made round the plant.

Continued from Page 1

Power men reject peace bid

now out of touch with those operating the work to rule. Mr. Frank Chapple, general secretary of the Electricians' Union, said that while the claim for shift benefits is being viewed sympathetically, any award would have to be included in the annual pay settlement due in March because otherwise it would be in breach of the 12-month rule on pay rises.

could expect." He criticised the work to rule organisers for making it harder to reach a settlement and persisting in "a battle which can't be won."

Weather

U.K. TO-DAY MOSTLY cold, rain spreading from W. Midlands, Channel Is., Wales, from W.

Table with columns for location, temperature, and weather conditions

Continued from Page 1

Labour and unions

leader, welcomed the legislative programme and defended the Lib-Lab pact for creating the stability the Government needed to pursue a policy of economic recovery.

Hoover The market was in no mood to accept yesterday's uninspiring third quarter figures from Hoover without complaint.

Assembly: They will be left much freer to arrange and conduct their own business.

Finance: The level of devolved expenditure will be related to comparable expenditure elsewhere in the country.

Mr. Callaghan warned MPs that the target date for the elections of May or June next year could be met only if a PR formula was adopted, and to general surprise, he claimed 'that the elections would have to be postponed until 1979 should MPs insist on the Westminster system.

As Mrs. Thatcher, the Conservative leader, backed by the Shadow Cabinet and the overwhelming majority of Tory MPs, is prepared to vote against PR, and as they will be joined by dissenting Labour MPs, the prospect of a hung Parliament is increasingly remote.

Mrs. Thatcher said she doubted the Government's commitment to the direct elections Bill, if the target date was not met, it would be the Government's fault and not the Opposition's.

On the economy, she predicted that the Government would throw away the opportunities presented by North Sea oil, by using it to overcome short-term difficulties rather than for the regeneration of industry.

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Why does a million-pound plant in Aycliffe cost only £375,680? Advertisement for Aycliffe Development Area.

